

PD-ABS-290

90183

USAID/GUINEA

EDUCATION SECTOR REFORM PROGRAM (675-0222)

PROGRAM ASSISTANCE APPROVAL DOCUMENT (PAAD)

Amendment No. 3

September 8, 1993

CLASSIFICATION

AGENCY FOR INTERNATIONAL DEVELOPMENT

**PROGRAM ASSISTANCE
APPROVAL DOCUMENT**

(PAAD)

Guinea Education Reform Program (675-0222)

5. To
Wilbur G. Thomas, Director
USAID/Guinea

7. From
Sally R. Sharp, Program Officer
USAID/Guinea

9. Approval Requested for Commitment of
\$6,838,635

11. Type Funding 12. Local Currency Arrangement
☐ Loan ☒ Grant ☐ Informal ☐ Formal ☒ None

15. Commodities Financed

N/A

1. PAAD Number
675-T-602C

2. Country
Guinea

3. Category
SSA

4. Date
September 10, 1993

6. OYB Change Number
N/A

8. OYB Increase
N/A
To be taken from:

10. Appropriation Budget Plan Code
BPC: GSS3-93-31675-BG39 APP: 72-113/41014

13. Estimated Delivery Period
FY 94 - 96

14. Transaction Eligibility Date
N/A

16. Permitted Source

☒ U.S. only
☐ Limited F.W.
☐ Free World
☐ Cash

17. Estimated Source

☐ U.S.
☐ Industrialized Countries
☐ Local
☐ Other

18. Summary Description

The purpose of the Guinea Education Sector Reform Program (675-0222) is to support the efforts of the Government of Guinea (GOG) to restructure, expand and improve its primary education system. More specifically, the Program endeavors to improve the quality of primary school education and to increase the enrollment of primary school-age children with a particular focus on equitable access for girls and rural children. The Program to date has included both non-project assistance (NPA), \$22.3 million for budgetary support and \$5.7 million in project assistance. By providing direct budgetary support, the Program encourages and allows the GOG to increase the share of public revenues allocated to the education sector. A package of long and short-term technical assistance, commodities and training aims to improve administrative, budgetary and financial management at the Ministry of Education.

The proposed Program Assistance Approval Document (PAAD) Amendment will authorize \$6,838,635 from the Development Fund for Africa (DFA) and permit technical changes in the cash transfer for debt repayment disbursement mechanism. Within the total projected non-project assistance (NPA) funding level of \$40.3 million, this amendment of \$6,838,635 will bring the total life-of-project NPA funding to \$29,138,635. This increase will constitute a fourth tranche of funds for the Program, and will be disbursed upon satisfactory compliance by the GOG to the conditionality described in the attached.

19. Clearances PPD:SHaykin		Date 9/24/93	20. Action <input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED Authorized Signature: Wilbur G. Thomas Date: 9/24/93 Title: Director, USAID/Guinea
HRD: SWRIGHT		9/24/93	
A/EXO: DIJENKINS		09/23/93	
DEM: SPKLOSKY		09/24/93	
DDIR: TEPARK		9/24/93	
Ref: State 276540 (dated 9/10/93)			

AID 1120-1 (5-82)

CLASSIFICATION

Guinea Education Sector Reform Program (675-0222)
PAAD Amendment No. 3

Conditions for Fourth Tranche Disbursement

1. Conditions

Prior to the fourth disbursement under the Grant, the Grantee shall, except as USAID may otherwise agree to in writing, furnish to USAID, in form and substance satisfactory to USAID:

(a) Evidence that in the budget year 1993 the share of the Grantee's expenditures for the:

(i) education sector expenditures were maintained at no less than 25 percent of the total national budget expenditures for that period;

(ii) primary education sub-sector expenditures were maintained at no less than 35 per cent of the total education sector budget expenditures for that period;

(iii) non-salary recurrent expenditure level in the education budget was maintained at no less than 18 per cent, excluding transfers and student subsidies at higher levels of education (i.e., all but primary); and

(iv) primary education per pupil and overall per administrator expenditures were maintained at GF 2,800 and 210,000, respectively.

(b) Evidence that in the budget year 1994 the share of the Grantee's allocations for the:

(i) education sector is maintained at no less than 25 percent of total national budget allocations for that period;

(ii) primary education subsector is maintained at no less than 35 percent of the total education budget allocations for that period;

(iii) primary education subsector non-salary recurrent costs, excluding transfers and student subsidies at higher levels of education, is maintained at no less than 18 percent of the total education budget allocation;

(iv) primary education per pupil and overall per administrator expenditures are maintained at no less than GF 2,800 and GF 210,000, respectively.

(v) primary education sector includes acceptable classroom quality inputs for students and related teaching aides (such as textbooks, teacher guides, etc., which are to be negotiated with USAID), based on analysis of 1993 per pupil and per administrator expenditures with respect to classroom quality inputs, and per pupil and per

administrator resources are disbursed according to priority needs in terms of acceptable school quality and equity-enhancing criteria.

(c) Evidence that the Grantee has acted on its equity plan (formulated in October, 1992), and has prepared a national plan which identifies specific strategies, interventions and programs to increase girls' and rural children's educational participation and incorporates the more precise information derived from both the awareness campaign and the action research project. The national plan shall contain verifiable target levels for 1995.

(d) Evidence that the Grantee has constructed 200 classrooms in 1994; allocated budget resources sufficient to supplement local contributions for classroom construction and; developed an overall school construction and maintenance plan.

(e) Evidence that the Grantee has completed the redeployment of teachers to primary school classrooms according to the plan that was presented during the 1993 Joint Donor Review.

2. Additional Covenants

The Grantee will covenant to:

(a) Incorporate the functions of the Comité de Pilotage, for primary education, the Secrétariat Technique and the Service de Coopération Technique et des Projets into the General Secretary's office of the Ministry of Pre-University Education.

(b) Review its licensing and certification procedures for private schools and develop a plan to remove impediments, with a view to encourage the development of the private education sector.

ACTION MEMORANDUM FOR THE MISSION DIRECTOR, USAID/GUINEA

FROM: Sally D. Sharp, PPD

SUBJECT: Amendment to the Guinea Education Sector Reform Program (675-0222)

I. Problem

You are requested to approve an amendment to the Guinea Education Sector Reform (ESRP) Program (675-0222) to provide a fourth tranche of DFA funds, in the amount of \$6,838,635, for direct budgetary support to the Government of Guinea (GOG) as it continues to rebuild, reform and improve its primary education system.

II. Discussion

A. Background

Over the past twenty-five years, Guinea's education system has suffered from mismanagement, under-funding and neglect. By 1989, the primary school enrollment rate was only 28 percent, 17.8 per cent for girls, making it among the lowest in the world. Until 1989 the literacy rate in Guinea was less than 25 per cent, with the Government of Guinea (GOG) devoting less than 13 per cent of its actual recurrent expenditures to education. This level of expenditure was well below the West African regional average of 21 per cent. In 1989, the GOG designed a National Education Policy to rebuild its faltering education system and to address these problems. The Policy is being executed through the GOG's Education Sector Adjustment Program (PASE), which encompasses a series of administrative and policy reforms intended to lay the framework for restructuring, expanding and improving the education system.

With considerable natural resources in agriculture, energy, fisheries and mining, Guinea's economy has the potential for rapid growth. Guinea's economic potential, however, is frustrated by a serious lack of infrastructure and low levels of education and training, weak institutions and the administration's limited capacity for economic and financial management. Guinea began a transition from a state-controlled to a market economy in 1985 when it started an economic structural adjustment program with the support of the International Monetary Fund (IMF) and the World Bank. World Bank/IDA loans include support to the PASE.

There is an important relationship between education and macroeconomic adjustment in Guinea. Rapid macroeconomic adjustment in Guinea is hampered by the lack of a trained and experienced workforce. The current education and training system lacks the capacity and resources to adequately prepare large numbers of Guineans for meaningful employment. Since employment is expected to grow commensurate with the growth in

each sector of the economy, a skilled, productive work force will be important in sustaining economic growth. Macroeconomic adjustment measures, however, have repercussions on the education sector. For example, public administration reform calls for the reduction of redundant and unskilled civil servants and the granting of significant salary increases to remaining staff. The combined effect of these two measures has significantly increased the GOG's wage bill. Taking into account other macroeconomic measures such as reduced deficits, the increase in the wage bill must be paid for by reductions in expenditure on goods, services, transfer payments and other operating expenses. This has had a direct impact on the government's recurrent budget for the education sector. Given the already inadequate funding of materials in education, the potential effects of these macroeconomic adjustment measures on the sector can be damaging if the sector budget for recurrent costs is not protected.

B. Program Description

The Acting Assistant Administrator for Africa approved the ESRP Program Assistance Approval Document (675-0222) and Project Paper (675-0223) on August 8, 1990, and authorized a total life-of-program funding in the amount of \$28 million. Of this amount:

- \$22.3 million was authorized for a non-project assistance (NPA) in the form of a cash grant to the GOG for repayment of debt; and
- \$5.7 million was authorized for project assistance directly to the Ministry of Pre-University Education (MEPU).

By providing NPA resources for direct budgetary support, the ESRP encourages and allows the GOG to increase the share of public revenues it allocates to the education sector. The NPA portion was to be disbursed to the GOG in three tranches over a three year period. Disbursements were conditioned on the GOG's commitment to: continually allocate adequate funding for teaching materials and other operating expenditures throughout the adjustment period; train, retrain and redeploy staff, and reallocate resources within the education system to assure more equal access to schooling throughout the country, with special regard to girls and rural children.

Since the commencement of the ESRP in 1990, the GOG has initiated a wide series of actions to implement the reform program. Three annual joint donor meetings have clearly revealed that donor assistance to the PASE has contributed to the sense of commitment and enthusiasm for the reforms and that the social, political and professional environment is more hospitable to primary education than ever before. Nevertheless, there is still much to accomplish in this long term effort. A recent mid-term evaluation pointed out, for example, that some of the intentions underlying the original program conditions, in particular, infrastructure, quality

improvements, and equity access to primary education for girls and rural children, were not being realized.

To better address these and other issues raised by the evaluation, USAID plans to undertake an education sector assessment in early FY 94, prior to redesigning the ESRP for involvement in the second phase of the PASE. If a fourth tranche is not established, USAID will have little or no leverage to initiate some of the changes recommended in the evaluation until the new project begins in early FY 95. Consequently, USAID views the additional funds as a "bridging mechanism" to keep the momentum going in the reform process and to ensure that the GOG maintains its level of performance during the period between the first and second phases of the ESRP. Moreover, the proposed fourth tranche reflects the direction in which USAID will move during redesign and it will allow movement on conditionality that will be central to the new project, especially as they relate to making greater inroads in quality of education, equity access and infrastructure improvements.

C. Financial Summary

1. Financial Plan

Within the total proposed Phase I/Phase II non-project assistance (NPA) life-of-program funding level of \$40.3 million, this amendment of \$6,838,635 will bring the total authorized life-of-program NPA funding to \$29,138,635. Disbursement of the fourth tranche to the GOG is contingent upon satisfactory compliance by the GOG with the amendment's conditions. It is estimated that disbursement will take place by September, 1994.

It should be noted that the Government of Guinea continues to provide an ever greater share of the overall resources required in the education sector and it is anticipated that the GOG will assume the full cost of education reform by 1996. While the original PAAD was only designed to help meet the education deficit during the first three years of reform, it notes that A.I.D. should maintain support for the sector through 1996. Thus, this fourth tranche of funds can be considered the first step in the second phase of support for education reform.

2. Funding Mechanism

The proposed PAAD Amendment will authorize \$6,838,635 from the DFA appropriation for debt repayment. The proposed fourth tranche of funds will be disbursed upon satisfactory compliance by the GOG of the fourth tranche conditions. Based upon its first two and one half years of experience with the management of the cash grant, USAID plans to streamline the debt repayment to allow for direct payment by A.I.D. to creditors on the GOG's behalf. This amendment does not alter

the activities funded under the projectized portion of the Program.

D. Committee Action and Findings

An Issues Meeting, chaired by AFR/CCWA, was held in A.I.D./W on Tuesday, August 17 to review the proposed PAAD Amendment. Offices represented at the Meeting were AFR/CCWA, AFR/DP, AFR/ARTS, GC/AFR, R&D/ED and the USAID/Guinea Mission. To address the issues raised at the Issues Meeting, revisions were made to the PAAD amendment in A.I.D./W by AFR/CCWA and the USAID/Guinea Education Officer. Based on the results of the Issues Meeting, an ECPR was not necessary and the Project Committee (PC) recommended approval of the PAAD Amendment to the DAA/AFR. The PC further recommended that authority to authorize the amendment be delegated to the USAID/Guinea Mission Director. A summary of the Issues Meeting is contained in Annex I of this Action Memorandum.

III. Authority

Per State 276540 (see Annex II), an ad hoc delegation of authority was given to the USAID/Guinea Mission Director to approve this amendment to the Education Sector Reform Program.

IV. Recommendation

That you sign your name in the space below, and in Box 20 of the attached PAAD Facesheet, thereby indicating your approval to amend the Guinea Education Sector Reform Program to add \$6,838,635 in non-project assistance, which will increase the Program's total level of NPA from \$22,300,000 to \$29,138,635.

Approve *[Signature]*

Disapprove _____

Date *September 27, 1993*

Attachments:

1. PAAD Amendment Facesheet
2. Annex I: Issues Meeting Summary
3. Annex II: State 276540 - Delegation of Authority Cable

Draft: AFR/CCWA: DESposito: PPD: *[Signature]* Morgan: 09\16\93:...\0222\amendpkg
Clearances:

PPD: SHaykin <i>[Signature]</i>	Date <u>9/24/93</u>
HRD: SWright <i>[Signature]</i>	Date <u>9/30/93</u>
A/EXO: Jenkins <i>[Signature]</i>	Date <u>9/22/93</u>
OFM: PKlosky <i>[Signature]</i>	Date <u>9/24/93</u>
D/DIR: TPark <i>[Signature]</i>	Date <u>9/24/93</u>

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ANNEX I
Issues Meeting Summary

Below are highlights from the Issues Meeting held on August 17, 1993 to review USAID/Guinea's PAAD Amendment to the Guinea Education Sector Reform Program:

Issue 1: Is the level of analysis provided by the Mission in the proposed PAAD Amendment sufficient to justify a fourth tranche of funds?

The first and main issue concerned the level of analysis provided by the Mission to justify an additional tranche of funds beyond the three envisioned in the initial project design. The Mission is proposing a "bridging" mechanism to maintain gains achieved in the education sector between now and the time of the initiation of Phase II of the project in 1995. However, additional justification was required to explain why the amount of \$6.8 million was appropriate for a fourth tranche and what the Government of Guinea was doing to contribute to the project. To address these concerns, three adjustments were made to the PAAD Amendment document:

- (1) An explanation was inserted, (see page 4 of the PAAD Amendment), on the costs associated with educational reform and the need for A.I.D. external budgetary support to cover a portion of the difference between GOG budget goals in the education sector and actual available resources. The additional text reinforces the original PAAD's emphasis on the GOG's need for budgetary assistance through 1996. It also points out A.I.D.'s intentions, as stated in the original PAAD, to maintain support through 1996 with a follow-on program and that this fourth tranche is, therefore, considered the 1st step in a 2nd phase of support since the follow-on program will not be on-line until 1995.
- (2) A Project Sector Financing Schedule matrix was inserted in the Annex of the PAAD Amendment which shows that the GOG is indeed honoring its commitment to pick up an ever greater share of the costs in the education sector over time. It is anticipated that the GOG is expected to pick up all costs in the education sector by 1996.
- (3) The outputs and EOPS in the original Logframe were amended to reflect the additional gains to be achieved by adding a fourth tranche of funds, (see PAAD Amendment Annex). Along with the new conditions, this helps to clarify what we are "buying" with a fourth tranche of funds.

During the course of the discussion, AFR/ARTS staff that provided technical support for the Amendment pointed out that there would be an in-depth technical assessment of the education sector in September. During the course of the assessment, much of the economic and financial analysis in the

original PAAD will be updated. It was also pointed out that, through this Amendment process, the USAID/Guinea Mission is absorbing a portion of a Congressionally-mandated earmark for basic education.

Issue 2: How is the technical assistance component (675-0223) of the Education Sector Reform Program addressing some of the constraints raised in the Constraints Analysis section of the PAAD Amendment?

Because some of the reviewers felt that the TA component should be more fully discussed in the PAAD Amendment, additional details on the role of the TA and its link to NPA, was incorporated into the Program Background (see page 5 of PAAD Amendment) and comments were added in the Constraints Analysis Section (beginning on page 8 of the PAAD Amendment), to reflect how technical assistance was addressing some of the program constraints.

Issue 3: How does the PAAD Amendment deal with the recommendations that came out of the program's mid-term evaluation?

A mid-term evaluation of the ESRP was conducted in the Spring of 1993, yet the proposed amendment rarely refers to it or its recommendations. It was felt that there should be more information in the Amendment about the evaluation results and how the Mission was addressing the recommendations of the evaluation in the PAAD Amendment.

To address this concern, a paragraph on the mid-term evaluation was inserted in the Progress To Date section of the document, (see page 7 of the PAAD Amendment). It points out that the fourth tranche conditionalities address some of the issues relating to equity and school quality raised in the evaluation. It also notes that current and future technical assistance plans address some of the evaluators' concerns about the technical capacity of Ministry personnel. It points out that these and other issues highlighted by the evaluators will also be addressed in the design of Phase II of the project.

UNCLAS

Guinea Education Sector Reform Program (675-0222)
PAAD Amendment For Fourth Tranche

ACTION: AID-0
INFO: DCM-0 AMB-0

DISTRIBUTION: AID
CHARGE: AID

ANNEX II
Delegation of Authority Cable

VZCZCESA130BCA960
PP RUTARY
DE RUEHC #6540/01 2530840
ZNR UUUUU ZZH
P 100839Z SEP 93
FM SECSTATE WASHDC
TO RUTARY/AMEMBASSY CONAKRY PRIORITY 5641
INFO RUEHAB/AMEMBASSY ABIDJAN PRIORITY 0068
RUEHCO/AMEMBASSY COTONOU 9948
RUEHBP/AMEMBASSY BAMAKO 3270
BT

UNCLAS SECTION 01 OF 03 STATE 276540

AIDAC ABIDJAN FOR REDSO

E.O. 12356: N/A

TAGS:

SUBJECT: ISSUES MEETING - GUINEA ESRP PAAD AMENDMENT

1. SUMMARY. ON TUESDAY, AUGUST 17, AN ISSUES MEETING WAS HELD TO REVIEW THE USAID/GUINEABS PROPOSED DOLS. 6.8 MILLION AMENDMENT TO ITS EDUCATION SECTOR REFORM PROGRAM (ESRP; 675-0222). THE MEETING WAS CHAIRED BY AFR/CCWA PDEA, PAUL TUEBNER. THE MISSION WAS REPRESENTED BY EDUCATION OFFICER, SARAH WRIGHT. REPRESENTATIVES ALSO ATTENDED FROM AFR/CCWA (DON CLARK, CHERYL WILLIAMS, DINA ESPOSITO); AFR/DP (PATRICIA RADER, DWIGHT WILSON), AFR/ARTS (KAREN TIETJAN, JOE DESTEFANO, JULIE OWEN-REA), GC/AFR (PAULINE JOHNSON), AND R&D/ED (JIM HOXENG).

2. THE PURPOSE OF THE ESRP AMENDMENT IS TO PROVIDE A FOURTH TRANCHE OF FUNDS FOR DIRECT BUDGET SUPPORT TO THE GOVERNMENT OF GUINEA (GOG) AS IT CONTINUES TO RESTRUCTURE, EXPAND AND IMPROVE ITS PRIMARY EDUCATION SYSTEM. THE PAAD AMENDMENT WILL AUTHORIZE DOLS 6,838,635 IN DFA FUNDS TO BE DISBURSED UPON SATISFACTORY COMPLIANCE WITH FOURTH TRANCHE CONDITIONALITIES.

3. THE ISSUES MEETING GROUP RECOMMENDED THAT THE DEPUTY ASSISTANT ADMINISTRATOR APPROVE THE PAAD AMENDMENT AT THE

PROPOSED FUNDING LEVEL, SUBJECT TO GUIDANCE AND MODIFICATIONS CONVEYED IN THIS CABLE. THE DAA HAS APPROVED THE DOCUMENT, WITH AID/W MODIFICATIONS, AND DELEGATES AUTHORITY TO MISSION DIRECTOR, WILBUR THOMAS, TO AUTHORIZE FUNDS IN THE FIELD. USAID/GUINEA EDUCATION

UNCLAS

AIDAC

SECSTATE 276540

OFFICER SARAH WRIGHT COLLABORATED WITH AFR/CCWA AND AFR/ARTS ON THE REVISIONS TO THE PAAD AMENDMENT. SHE HAS HAND-CARRIED BACK TO POST A HARD COPY OF REVISED AMENDMENT AND A DISKETTE WITH REVISED VERSION.

4. USAID/GUINEA EDUCATION OFFICER SARAH WRIGHT AND AFR/ARTS EDUCATION OFFICER KAREN TIETJAN GAVE OPENING REMARKS ON THE PAAD AMENDMENT, NOTING THE SUCCESSES ACHIEVED VIA NON-PROJECT ASSISTANCE (NPA) TO DATE AND EXPLAINING THE RATIONALE BEHIND THE NEW FOURTH TRANCHE CONDITIONS. DURING THE DISCUSSION PERIOD, THREE MAIN ISSUES WERE RAISED: THE VALUE OF REFORMS OBTAINED BY NPA AND NEED FOR ADDITIONAL JUSTIFICATION FOR A FOURTH TRANCHE OF FUNDS IN THE AMOUNT PROPOSED; THE NEED FOR MORE INFORMATION ABOUT HOW TECHNICAL ASSISTANCE ADDRESSES CONSTRAINTS TO PROGRAM SUCCESS; AND THE NEED FOR MORE INFORMATION ON THE PROGRAM EVALUATION CONDUCTED IN THE SPRING OF 1993 AND HOW THE MISSION PLANS TO ADDRESS THE EVALUATION RECOMMENDATIONS. OTHER CONCERNS OF THE GROUP RELATED TO THE PACE OF GOG REDEPLOYMENT OF TEACHERS TO THE PRIMARY EDUCATION LEVELS AND CURRICULUM DEVELOPMENT. END SUMMARY.

5. OPENING COMMENTS. USAID/GUINEA EDUCATION OFFICER SARAH WRIGHT HIGHLIGHTED THE SUCCESSES USAID/GUINEA HAS HAD WITH NPA DURING THE FIRST THREE YEARS OF THE ESRP. THE GOVERNMENT HAS MADE SIGNIFICANT POLICY REFORMS IN THE EDUCATION SECTOR, MEETING AND SOMETIMES EXCEEDING CONDITIONALITIES FOR THE FIRST THREE TRANCHES OF NPA AUTHORIZED IN THE ORIGINAL PAAD. SHE NOTED THAT OVER THE COURSE OF THE LAST THREE YEARS, USAID/GUINEA HAS LEARNED THAT "NPA WORKS." THE GOG HAS MADE SIGNIFICANT GAINS IN ADMINISTRATIVE EFFICIENCY AND EDUCATION SECTOR BUDGET PLANNING. IT HAS COMPLETED AN IMPORTANT SCHOOL-MAPPING EXERCISE THAT PROVIDES CRITICALLY-NEEDED DATA ON STAFFING REQUIREMENTS, INFRASTRUCTURE, ENROLLMENT AND SALARIES.

6. WRIGHT ADDED THAT THE CURRENT PAAD AMENDMENT IS DESIGNED TO MAINTAIN THE MOMENTUM GAINED IN THE EDUCATION SECTOR VIA THE FIRST THREE TRANCHES OF FUNDING. IN THIS REGARD, THE PAAD AMENDMENT REFLECTS USAID/GUINEA'S LONG TERM COMMITMENT TO EDUCATION AND IS DESIGNED TO MAINTAIN AND BROADEN REFORMS ALREADY ACHIEVED WHILE PHASE 2 OF THE PROGRAM IS BEING DESIGNED. CONDITIONS ESTABLISHED FOR THE RELEASE OF FOURTH TRANCHE FUNDS ARE A LOGICAL OUTGROWTH OF THE EXISTING CONDITIONS.

7. WRIGHT ALSO NOTED THAT A RECENT MID-TERM EVALUATION RECOMMENDED SOME ADJUSTMENTS TO THE ESRP. THOSE RECOMMENDATIONS ARE ADDRESSED IN PART IN THE REVISED

CONDITIONALITIES; THEY WILL ALSO BE TAKEN INTO ACCO DURING PHASE 2. AMONG THE MORE CRITICAL ISSUES TO ADDRESSED IN PHASE 2 AND AN IMPORTANT LESSON OF TH

THREE YEARS OF THE PROGRAM, IS THAT A LARGER TECHNICAL

ASSISTANCE PROJECT THAN ORIGINALLY DESIGNED IS NEEDED TO ACCOMPANY NPA IN ORDER TO BETTER PROMOTE INSTITUTION-BUILDING. THIS WILL BE ADDRESSED IN PHASE 2 OF THE PROGRAM.

8. ISSUE ONE. THE VALUE OF REFORMS.

A. THE FIRST AND MAIN ISSUE CONCERNED THE LEVEL OF ANALYSIS PROVIDED BY THE MISSION TO JUSTIFY AN ADDITIONAL TRANCHE OF FUNDS BEYOND THE THREE ENVISIONED IN THE INITIAL PROJECT DESIGN. WHILE THE MISSION JUSTIFIED ITS REQUEST BY EXPLAINING THE NEED FOR A "BRIDGING" MECHANISM

NOW AND THE TIME OF THE INITIATION OF PHASE 2 OF THE PROJECT IN 1995, IT WAS FELT THAT THERE NEEDED TO BE MORE DISCUSSION TO EXPLAIN WHY THE AMOUNT OF DOLS. 6.8 MILLION WAS APPROPRIATE FOR A FOURTH TRANCHE AND WHAT THE GOVERNMENT OF GUINEA WAS DOING TO CONTRIBUTE TO THE PROJECT.

B. DISCUSSION: AFR/ARTS STAFF AND MISSION REP. WRIGHT POINTED OUT THAT THE A.I.D. EXTERNAL BUDGETARY SUPPORT IS A VERY SMALL PORTION OF THE OVERALL EDUCATION SECTOR BUDGET. THE GOG PROVIDES THE VAST MAJORITY OF RESOURCES FOR THIS SECTOR. IN ADDITION, A.I.D.'S INTENTION, AS STATED IN THE ORIGINAL PAAD DOCUMENT, WAS TO PROVIDE LONG-TERM SUPPORT IN THE EDUCATION SECTOR. WHILE THE ORIGINAL PAAD DOCUMENT WAS BASED ON AN ASSESSMENT OF THE GOG BUDGET DEFICIT IN THE EDUCATION SECTOR DURING THE FIRST THREE YEARS OF REFORM, A.I.D. ENVISIONED THAT THE GOG WOULD REQUIRE EXTERNAL BUDGETARY SUPPORT THROUGH 1996, WHEN IT WOULD ASSUME THE FULL COSTS OF EDUCATION REFORM. SINCE PHASE 2 OF THE PROJECT CANNOT BE ON LINE UNTIL 1995, THIS FOURTH TRANCHE CAN BE CONSIDERED A FIRST STEP IN THE SECOND PHASE OF SUPPORT. AFR/ARTS STAFF POINTED OUT THAT IT IS EXTREMELY DIFFICULT TO PUT A PRICE TAG ON REFORMS; THERE IS NO EASY CALCULATION TO DETERMINE THEIR DOLLAR VALUE. RATHER, THE PRICE TAGS ATTACHED TO THE FIRST THREE SETS OF CONDITIONALITIES WERE CALCULATED BASED ON THE ESTIMATED GOG EDUCATION SECTOR BUDGETARY SHORTFALL DURING THE FIRST THREE YEARS OF EDUCATIONAL REFORM. THAT GAP IS

SHRINKING EACH YEAR AS THE GOG MEETS A LARGER AND LARGER

SHARE OF THE BUDGET REQUIREMENTS. AFR/ARTS STAFF NOTED THAT ALL FINANCIAL AND ECONOMIC ANALYSIS DONE DURING THE PAAD PROCESS WILL BE UPDATED DURING THE UPCOMING EDUCATION SECTOR ASSESSMENT.

C. DECISION: TO ADDRESS THESE ISSUES, IT WAS DECIDED THAT THERE SHOULD BE THREE ADJUSTMENTS TO THE PAAD AMENDMENT: 1.) A SECTION SHOULD BE INCLUDED WHICH DESCRIBES THE COSTS ASSOCIATED WITH EDUCATION REFORM AND DESCRIBES A.I.D.'S LONG TERM PLAN (AS EXPLAINED IN THE ORIGINAL PAAD) TO ADDRESS THE EDUCATION BUDGET DEFICIT THROUGH 1996. 2.) A PROJECTED SECTORAL FINANCIAL SCHEDULE WHICH COVERS THE YEARS 1990-1996 SHOULD BE INCLUDED IN THE PAAD AMENDMENT ANNEX. THE SCHEDULE WILL SHOW THE GOGIS INCREASING COMMITMENT OF FUNDS TO THE EDUCATION SECTOR OVER TIME. 3.) OUTPUTS AND EOPS IN THE ORIGINAL LOGFRAME SHOULD BE ADJUSTED TO SHOW THE ADDITIONAL GAINS ACHIEVED BY ADDING A FOURTH TRANCHE OF FUNDS.

9. ISSUE TWO: THE ROLE OF TECHNICAL ASSISTANCE.

A. SOME PAAD AMENDMENT REVIEWERS FELT THAT THE TECHNICAL ASSISTANCE PROJECT (675-0223) LINKED TO THIS NPA PROGRAM SHOULD BE MORE FULLY DISCUSSED IN THE PAAD AMENDMENT. IN PARTICULAR, THERE NEEDED TO BE MORE DISCUSSION TO SHOW HOW TECHNICAL ASSISTANCE IS ADDRESSING SOME OF THE CONSTRAINTS RAISED IN THE CONSTRAINTS ANALYSIS SECTION OF THE DOCUMENT.

B. DECISION. TO ADDRESS THIS CONCERN, IT WAS AGREED THAT THE PAAD AMENDMENT SHOULD PROVIDE ADDITIONAL EXPLANATION ON THE NATURE OF TECHNICAL ASSISTANCE AND HOW IT HELPS ADDRESS SOME OF THE CONSTRAINTS TO PROGRAM SUCCESS. SUCH INFORMATION SHOULD BE INCLUDED IN BOTH THE PROGRAM BACKGROUND AND CONSTRAINTS ANALYSIS SECTIONS OF THE DOCUMENT.

10. ISSUE THREE. MID-TERM EVALUATION.

A. A MID-TERM EVALUATION WAS CONDUCTED IN SPRING 1993. THE PAAD AMENDMENT REVIEWERS FELT THAT THERE SHOULD BE MORE INFORMATION IN THE AMENDMENT ABOUT THE EVALUATION RESULTS AND HOW THE MISSION WAS ADDRESSING THE RECOMMENDATIONS OF THE EVALUATION.

B. DISCUSSION. AFR/ARTS STAFF AND MISSION REPRESENTATIVE NOTED THAT THE MID-TERM EVALUATION DID RAISE SOME VALUABLE ISSUES BUT THAT MISSION (AND AFR/ARTS STAFF) DID NOT CONCUR WITH ALL OF ITS RECOMMENDATIONS. THEY POINTED OUT

THAT THE FOURTH TRANCHE CONDITIONALITIES DO ADDRESS SOME OF THE CONCERNS RAISED IN THE EVALUATION, PARTICULARLY AS THEY RELATE TO ISSUES OF EQUITY ACCESS FOR GIRLS AND RURAL CHILDREN AND CLASSROOM QUALITY INPUTS.

C. DECISION. TO ADDRESS THIS CONCERN, IT WAS RECOMMENDED THAT A SECTION ON THE MID-TERM EVALUATION AND THE MISSION'S RESPONSE TO IT BE ADDED TO THE PROGRESS TO DATE SECTION OF THE DOCUMENT.

11. ISSUES. THE AFR/ONI OFFICE SUBMITTED SOME ISSUES FOR DISCUSSION AT THE MEETING. ONE RAISED THE QUESTION ON THE PACE OF REDEPLOYMENT OF TEACHERS TO PRIMARY SCHOOL TEACHING POSITIONS IN THE INTERIOR OF THE COUNTRY. MISSION REPRESENTATIVE'S OPENING COMMENTS ADDRESSED THIS CONCERN AND THE GOG SUCCESS IN REDEPLOYING THE MAJORITY OF TARGETED TEACHERS TO PRIMARY SCHOOLS WAS HIGHLIGHTED AS A MAJOR SUCCESS IN THE REFORM PROCESS. IN ADDITION, AFR/ONI ASKED ABOUT A.I.D.'S ROLE IN CURRICULUM DEVELOPMENT AND REFORM. MISSION REP. NOTED THAT THE FRENCH HAVE TAKEN THE LEAD IN THIS AREA. HOWEVER, AID/GUINEA WILL LOOK AT A POSSIBLE ROLE IN THIS AREA DURING THE DESIGN OF PHASE 2 OF THE PROGRAM.

12. MEETING CONCLUSIONS: IT WAS DECIDED THAT THE GUIDANCE AND MODIFICATIONS PROPOSED IN THE ISSUES MEETING WOULD BE INCORPORATED INTO THE PAAD AMENDMENT DOCUMENT IN WASHINGTON AND THAT THE REVISED PAAD AMENDMENT WOULD BE SENT TO THE DEPUTY ASSISTANT ADMINISTRATOR FOR APPROVAL OF ADDITIONAL DFA FUNDS FOR A FOURTH TRANCHE, AND FOR APPROVAL OF AN AD HOC DELEGATION OF AUTHORITY TO THE USAID/GUINEA MISSION DIRECTOR TO AUTHORIZE THE PAAD AMENDMENT.

13. THE AD HOC DELEGATION OF AUTHORITY IS SHOWN BELOW:

PURSUANT TO DELEGATION OF AUTHORITY 551, DAA/AFR HEREBY DELEGATES AUTHORITY TO THE MISSION DIRECTOR, USAID/GUINEA, TO APPROVE AN AMENDMENT TO EDUCATION SECTOR REFORM PROGRAM (ESRP; 675-0222) IN AN AMOUNT NOT TO EXCEED US DOLS 6,838,635, FOR A NEW TOTAL LEVEL OF NON-PROJECT ASSISTANCE NOT TO EXCEED USDOLS 29,138,635. THIS AD HOC DELEGATION OF AUTHORITY SHALL BE EXERCISED IN ACCORDANCE WITH THE REGULATIONS, PROCEDURES AND POLICIES PROMULGATED WITHIN

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A.I.D. IN EFFECT AT THE TIME THIS AUTHORITY IS EXERCISED.

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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEP 7 1993

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

THRU: AFR/CCWA, Paul Tuebner

FROM: AFR/CCWA, Dina Esposito

SUBJECT: Proposed Amendment to the Guinea Education Sector Reform Program (675-0222)

I. Problem

You are requested to approve: 1.) the addition of \$6,838,635 in DFA funds to the Guinea Education Sector Reform (ESRP) Program (675-0222) in order to provide a fourth tranche of DFA funds for direct budgetary support to the Government of Guinea (GOG) as it continues to rebuild, reform and improve its primary education system; and 2.) an ad hoc delegation of authority to the Guinea Mission Director to authorize the amendment in the field.

II. Discussion

A. Background

Over the past twenty-five years, Guinea's education system has suffered from mismanagement, under-funding and neglect. By 1989, the primary school enrollment rate was only 28 percent, 17.8 per cent for girls, making it among the lowest in the world. Until 1989 the literacy rate in Guinea was less than 25 per cent, with the Government of Guinea (GOG) devoting less than 13 per cent of its actual recurrent expenditures to education. This level of expenditure was well below the West African regional average of 21 per cent. In 1989, the GOG designed a National Education Policy to rebuild its faltering education system and to address these problems. The Policy is being executed through the GOG's Education Sector Adjustment Program (PASE), which encompasses a series of administrative and policy reforms intended to lay the framework for restructuring, expanding and improving the education system.

With considerable natural resources in agriculture, energy, fisheries and mining, Guinea's economy has the potential for rapid growth. Guinea's economic potential, however, is frustrated by a serious lack of infrastructure and low levels of education and training, weak institutions and the administration's limited capacity for economic and financial management. Guinea began a transition from a state-controlled to a market economy in 1985 when it started an economic structural adjustment program with the support of the International Monetary Fund (IMF) and the World

Bank. World Bank/IDA loans include support to the PASE.

There is an important relationship between education and macroeconomic adjustment in Guinea. Rapid macroeconomic adjustment in Guinea is hampered by the lack of a trained and experienced workforce. The current education and training system lacks the capacity and resources to adequately prepare large numbers of Guineans for meaningful employment. Since employment is expected to grow commensurate with the growth in each sector of the economy, a skilled, productive work force will be important in sustaining economic growth. Macroeconomic adjustment measures, however, have repercussions on the education sector. For example, public administration reform calls for the reduction of redundant and unskilled civil servants and the granting of significant salary increases to remaining staff. The combined effect of these two measures has significantly increased the GOG's wage bill. Taking into account other macroeconomic measures such as reduced deficits, the increase in the wage bill must be paid for by reductions in expenditure on goods, services, transfer payments and other operating expenses. This has had a direct impact on the government's recurrent budget for the education sector. Given the already inadequate funding of materials in education, the potential effects of these macroeconomic adjustment measures on the sector can be damaging if the sector budget for recurrent costs is not protected.

B. Program Description

The Acting Assistant Administrator for Africa approved the ESRP Program Assistance Approval Document (675-0222) and Project Paper (675-0223) on August 8, 1990, and authorized a total life-of-program funding in the amount of \$28 million. Of this amount:

- \$22.3 million was authorized for non-project assistance (NPA) in the form of a cash grant to the GOG for repayment of debt; and
- \$5.7 million was authorized for project assistance directly to the Ministry of Pre-University Education (MEPU).

By providing NPA resources for direct budgetary support, the ESRP encouraged and allowed the GOG to increase the share of public revenues it allocated to the education sector. The NPA portion was to be disbursed to the GOG in three tranches over a three year period. Disbursements were conditioned on the GOG's commitment to continually allocate adequate funding for teaching materials and other operating expenditures throughout the adjustment period; train, retrain and redeploy staff, and reallocate resources within the education system to assure more equal access to schooling throughout the country, with special regard to girls and rural children.

Since the commencement of the ESRP in 1990, the GOG has initiated a wide series of actions to implement the reform program. Three

annual joint donor meetings have clearly revealed that donor assistance to the PASE has contributed to the sense of commitment and enthusiasm for the reforms and that the social, political and professional environment is more hospitable to primary education than ever before. Nevertheless, there is still much to accomplish in this long term effort. A recent mid-term evaluation pointed out, for example, that some of the intentions underlying the original program conditions, in particular, infrastructure, quality improvements, and equity access to primary education for girls and rural children, were not being realized.

To better address these and other issues raised by the evaluation, USAID plans to undertake an education sector assessment in early FY 94, prior to redesigning the ESRP for involvement in the second phase of the PASE. If a fourth tranche is not established, USAID will have little or no leverage to initiate some of the changes recommended in the evaluation until the new project begins in early FY 95. Consequently, USAID views the additional funds as a "bridging mechanism" to keep the momentum going in the reform process and to ensure that the GOG maintains its level of performance during the period between the first and second phases of the ESRP. Moreover, the proposed fourth tranche reflects the direction in which USAID will move during redesign and it will allow movement on conditionality that will be central to the new project, especially as they relate to making greater inroads in quality of education, equity access and infrastructure improvements.

C. Financial Summary

1. Financial Plan

Within the total proposed Phase I/Phase II non-project assistance (NPA) life-of-program funding level of \$40.3 million, this amendment of \$6,838,635 will bring the total authorized life-of-program NPA funding to just over \$29.1 million. Disbursement of the fourth tranche to the GOG is contingent upon satisfactory compliance by the GOG with the amendment's conditions. It is estimated that disbursement will take place by September, 1994.

It should be noted that the Government of Guinea continues to provide an ever greater share of the overall resources required in the education sector. A table showing the Projected Sectoral Financing Schedule for education is provided in the Annex of the PAAD Amendment, (attached). A.I.D. expects the GOG to assume full cost of the burden of education reform by 1996. While the original PAAD was only designed to help meet the education deficit during the first three years of reform, it notes that A.I.D. should maintain support for the sector through 1996. Thus, this fourth tranche of funds can be considered the first step in the second phase of support for education reform.

2. Funding Mechanism

The proposed PAAD Amendment will authorize \$6,838,635 from the DFA appropriation for debt repayment. The proposed fourth tranche of funds will be disbursed upon satisfactory compliance by the GOG of the fourth tranche conditions. Based upon its first two and one half years of experience with the management of the cash grant, USAID plans to streamline the debt repayment to allow for direct payment by A.I.D. to creditors on the GOG's behalf.

The amendment does not alter the activities funded under the projectized portion of the Program.

D. Committee Action and Findings

An Issues Meeting was held on Tuesday, August 16, to review the proposed PAAD Amendment. The meeting was chaired by AFR/CCWA. Attending were representatives from AFR/CCWA, AFR/DP, AFR/ARTS, GC/AFR, R&D/ED and the USAID/Guinea Mission. Issues Meeting attendees recommended that the Bureau approve the addition of funds for a fourth tranche, and that the authority to approve and authorize the PAAD Amendment be delegated to the USAID/Guinea Mission Director. Primary issues raised at the Issues Meeting and revisions made to the PAAD amendment as a result of the Issues Meeting are included in the annex of this Action Memorandum.

III. Recommendation

That you approve the addition of \$6,838,635 of DFA funds for non-project assistance for the Guinea Education Sector Reform Program; and that you delegate authority to the USAID/Guinea Mission Director to authorize the PAAD Amendment.

Approve _____

Disapprove _____

Date _____

[Signature]

9/8/95

ANNEX

Summary of Issues Meeting

Below are highlights from the Issues Meeting held on August 16 to review USAID/Guinea's PAAD Amendment to the Education Sector Reform Program:

1. Additional justification for fourth tranche of funds:

The first and main issue concerned the level of analysis provided by the Mission to justify an additional tranche of funds beyond the three envisioned in the initial project design. The Mission is proposing a "bridging" mechanism to maintain gains achieved in the education sector between now and the time of the initiation of Phase II of the project in 1995. However, additional justification was required to explain why the amount of \$6.8 million was appropriate for a fourth tranche and what the Government of Guinea was doing to contribute to the project.

Conclusions: To address these concerns, three adjustments were made to the PAAD Amendment document: an explanation was inserted, (see page 4 of the PAAD, attached), on the costs associated with educational reform and the need for A.I.D. external budgetary support to cover a portion of the difference between GOG budget goals in the education sector and actual available resources. The additional text notes that the original PAAD highlights the GOG's need for budgetary assistance through 1996. It also points out A.I.D.'s intentions, as stated in the original PAAD, to maintain support through 1996 with a follow-on program. This fourth tranche can therefore be considered the first step in a second phase of support since the follow-on program will not be on-line until 1995.

In addition, a Project Sector Financing Schedule table was inserted in the Annex of the PAAD Amendment which shows that the GOG is indeed honoring its commitment to pick up an ever greater share of the costs in the education sector over time; (the GOG is expected to pick up all costs in the education sector by 1996.)

Finally, the outputs and EOPS in the original Logframe were amended to reflect the additional gains to be achieved by adding a fourth tranche of funds, (see PAAD Amendment Annex). Along with the new conditionalities, this helps to clarify what we are "buying" with a fourth tranche of funds.

During the course of the discussion, AFR/ARTS staff that provided technical support for the Amendment pointed out that there would be an in-depth technical assessment of the education sector in September. During the course of the assessment, much of the

economic and financial analysis in the original PAAD will be updated. It was also pointed out that, through this Amendment process, the USAID/Guinea Mission is absorbing a portion of a Congressionally-mandated earmark for basic education.

2. Technical Assistance: Some of the reviewers felt that the technical assistance project (675-0223) linked to this NPA program should be more fully discussed in the PAAD Amendment. In particular, they saw the need to show how technical assistance is addressing some of the constraints raised in the Constraints Analysis section of the PAAD Amendment.

Conclusion: To address this concern, additional explanation of the technical assistance project was incorporated into the Program Background (see page 5 of PAAD Amendment) and comments were added in the Constraints Analysis Section (beginning on page 8) to reflect how technical assistance was addressing some of the program constraints.

3. Mid-term Evaluation: A mid-term evaluation of the ESRP was conducted in Spring 1993. PAAD Amendment reviewers felt that there should be more information in the Amendment about the evaluation results and how the Mission was addressing the recommendations of the evaluation in the PAAD Amendment.

Conclusion: To address this concern, a paragraph on the mid-term evaluation was inserted in the Progress To Date section of the document, (see page 7). It points out that the fourth tranche conditionalities address some of the issues relating to equity and school quality raised in the evaluation. It also notes that current and future technical assistance plans address some of the evaluators' concerns about the technical capacity of Ministry personnel. It notes that these and other issues highlighted by the evaluators will also be addressed in the design of Phase II of the project.

CLEARANCES:

DAA/AFR:RCobb

Date:

AFR/CCWA:PTuebner

Date:

AFR/DP:CPeasley

Date:

GC/AFR:PJohnson


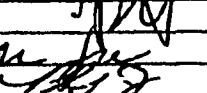
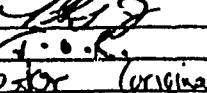
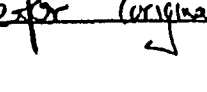


Date:

AFR/ARTS:JO-Rea

Date:

AFR/CONT:LGrizzard

Date:

Date: 9/7/93
 Date: 9/7/93
 Date: 9/2/93
 Date: Sept 23
 Date: 9/2/93
 Date: 9/2/93

(original signature)

Attachments:

PAAD Amendment and Annexes

Draft:USAID/Conakry:CMorgan;AFR/CCWA:DEsposito:08/20/93: MEMO.ED

GUINEA EDUCATION SECTOR REFORM PROGRAM
PAAD Amendment No. 3

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LIST OF ACRONYMS

CPSP USAID's Country Program Strategy Statement
DFA Development Fund for Africa
ESAF Enhanced Structural Adjustment Facility
ESRP Education Sector Reform Program
FAC Fonds d'Aide at de Cooperation
FSU Florida State University
GER Gross Enrollment Rate
GF Guinean Franc
GOG The Government of Guinea
IEES Improving Efficiency of Educational Services Project
IMF International Monetary Fund
M&E Monitoring and Evaluation Program/Plan
MEPU Ministry of Pre-University Education
MPF Ministry of Plan and Finance
NPA Non-Project Assistance
PAAD Program Assistance Approval Document
PASE Programme d'Adjustement Sectoriel d'Education
PP Project Paper
PSC Personal Services Contracto
PL480 Public Law 480 (US Food Assistance Program)
SCTP Service de Cooperation Technique et des Projets
SSP Planning and Statistics Office
ST Secretariat Technique
WID Women in Development Office/Officer/Program
USAID The A.I.D. Mission in Conakry, Guinea

GUINEA EDUCATION SECTOR REFORM PROGRAM

Program Assistance Approval Document Amendment No. 3

I. Problem

An amendment to the Guinea Education Sector Reform (ESRP) Program (675-0222) is requested in order to provide a fourth tranche of funds for direct budget support to the Government of Guinea (GOG) as it continues to restructure, expand and improve its primary education system. The proposed Program Assistance Approval Document (PAAD) Amendment will authorize \$6,838,635 from the Development Fund for Africa (DFA) and will be disbursed upon satisfactory compliance with fourth tranche conditionality.

II. Summary and Recommendations

A. Recommended Action

In support of the GOG's efforts to reform its primary education system, USAID/Guinea recommends amending the Education Sector Reform Program PAAD to increase the level of non-project assistance from \$22.3 million to \$29,138,635.

B. Program Summary

The Acting Assistant Administrator for Africa approved the ESRP Program Assistance Approval Document (675-0222) and Project Paper (675-0223) on August 8, 1990, and authorized a total life-of-program funding in the amount of \$28 million. Of this amount, \$22.3 million was authorized for a non-project assistance (NPA) in the form of a cash grant to the GOG for repayment of debt. The grant was to be disbursed to the GOG in three tranches over a three year period, conditioned on successful performance during the previous funding period. By providing NPA resources for direct budgetary support, the ESRP has encouraged and allowed the GOG to increase the share of public revenues it allocates to the education sector. The remaining \$5.7 million was authorized for project assistance directly to the GOG's Education Sector Adjustment Program (PASE), the framework around which education policy reform is formulated and implemented. A package of technical support, which includes the provision of long and short-term experts, commodities and training, aimed to improve administrative, budgetary and financial management at the Ministry of Education (MEPU).

The first phase of the PASE has been defined by a series of objectives, conditions and activities supported collaboratively by USAID, the World Bank and the French AID and Cooperation Fund (FAC). To leverage the policy and structural changes needed in the Guinean education sector, each of the donors' objectives and

conditions for reform in the education sector were designed to be interrelated, consistent and mutually supportive. In addition, the financial and technical support given to the PASE by each of the donors, was closely coordinated and complementary. USAID's close coordination with the other donors to the PASE has been evidenced by its (a) parallel financing arrangement with the World Bank's education sector adjustment credit; (b) participation at weekly donor meetings, where on-going and planned activities are shared; and (c) participation in annual joint tranche reviews that examine GOG performance under the education sector reform program's conditionality.

Since the commencement of the ESRP in 1990, the GOG has initiated a wide series of actions to implement the PASE and has made considerable progress in launching education reform. Even at this early stage of the process, the effect of its efforts have been demonstrated at sectoral, institutional and school levels. Central-level policy changes have increased GOG budgetary allocations to education and specifically, to primary education. Non-salary recurrent expenditures have increased as a proportion of the education budget, as have per pupil expenditures at the primary level. There have been observable gains in the administrative efficiency and capacity of MEPU to support the sector in terms of institutional reorganization, budgeting and financial management, data collection and analysis, teacher redeployment and training. It is generally agreed that donor assistance to the PASE has contributed to the sense of commitment and enthusiasm for Guinea's education sector reforms and the social, political and professional environment is more hospitable to primary education than ever before.

However, despite compliance with ESRP's Conditions, second and third tranche funds have yet to be disbursed to the GOG. This is due, in part, to the complex circuit for acquiring information, effectuating and verifying payments and to the number of institutions involved in the cash-transfer-for-debt repayment mechanism. In the case of the second tranche, disbursement has been delayed because, in the wake of the Paris Club debt rescheduling agreement, which was signed in April 1993, the GOG had to revise its previously submitted debt payment plan. Despite the delays, USAID is convinced that the both the second and third tranche disbursements will take place by the third quarter of FY 94, and thereby comply with the Agency's Forward Funding Guidelines (per State 402820, dated 12/15/92). The Mission is currently in the process of streamlining the payment mechanism through direct consultations with the GOG's National Directorate for the Budget, and through a direct payment mechanism to creditors on the GOG's behalf.

As the PASE enters its second phase, there are several programmatic and managerial challenges which need to be addressed for continued and sustained reform in the education sector. The timeliness of

the internal availability of resources continues to pose problems and create delays in procurement and construction schedules. These delays are due to the MPF's failure to disburse funds in a timely manner and MEPU's limited capacity to meet the accounting criteria necessary to obtain advances. Finally, the recent mid-term evaluation of the ESRP revealed that infrastructure, school quality and equity access goals were not being met to the extent desired, and that the technical capacity of Ministry personnel in both central and regional offices required continued and improved training support.

There is still much to accomplish in reforming the Guinean education sector. For example, continued support will be needed to achieve the quality and equity goals that were intended, but not clearly elaborated in the original PAAD conditions. To better address these and other issues raised by the evaluation, USAID plans to undertake an education sector assessment in early FY 94, prior to redesigning the ESRP for involvement in the second phase of the PASE. USAID anticipates completion of the redesign process in mid-FY 94. If a fourth tranche is not established, USAID will have little or no leverage to initiate some of the changes recommended in the evaluation until the new project begins in early FY 95. Without a fourth tranche, there is a real danger that the progress made thus far in the education sector could stagnate for some 12 months. Consequently, USAID views the fourth tranche as a "bridging mechanism" to keep the momentum going in the reform process and to ensure that the GOG maintains its level of performance during the period between the first and second phases of the ESRP. Moreover, the proposed fourth tranche reflects the direction in which USAID will move during the redesign and it will allow movement on conditionality that will be central to the new project, in particular as they relate to making greater inroads in quality of education, equity access and infrastructure improvements.

USAID proposes to continue the program as defined by the original PAAD conditions, which have, for this amendment, been further analyzed and refined. Specifically, the conditions and covenants for disbursement of the fourth tranche are designed to: (a) maintain GOG performance concerning funding levels, resource allocations and school construction; and (b) make more explicit the intentions underlying the original conditions. Finally, the fourth tranche conditions represent a logical extension of the original conditions, which were successfully complied with by the GOG for the previous three disbursements.

The proposed PAAD amendment will add \$6,838,635 to the NPA portion of the ESRP, increasing it from \$22.3 million to just over \$29.1 million. The costs associated with education sector reform in Guinea fall into two categories: the start-up investment required to restructure the administration of the education system and the cost of expanding and improving primary education. As stated in

the original PAAD, the GOG was only expected to assume the full cost of the burden of reform in 1996. Interim external budgetary support (ranging from 5-10 percent of the GOG education budget) was arranged as a funding bridge until efficiency gains in the education sector would compensate for increased per pupil expenditure and until the effects of macro-economic structural adjustment would permit the GOG to assume an increased financing burden for the sector. (A Sectoral Financing Schedule table is provided in the Annex to this PAAD Amendment. It shows the GOG's increasing levels of expenditures on recurrent non-salary expenditure for primary education. The table indicates both the GOG's commitment to primary education and its increasing capacity to direct revenues toward that sector.)

The amount of NPA in the original PAAD (\$22.3 million) was based on the estimated shortfall between the anticipated cost of the first three years of reform and the projected budgetary inputs from the GOG and other donors. However, calculations in the PAAD indicated that the GOG would continue to require budgetary assistance, although to a declining extent, as it moved toward assuming full financial responsibility. While USAID is providing three years of financial support to offset -- in part -- the sector budget's shortfall, AID assistance was predicated on the expectation that a follow-on program would maintain support through 1996. Consequently, the just over \$6.8 million in this proposed amendment will contribute to closing the projected financing gap, and this additional tranche can be considered the first step in a second phase of support.

This increase will constitute a fourth tranche of funds for the Program, and will be disbursed for debt repayment upon satisfactory compliance by the GOG to the conditionality described below. The amendment does not alter the activities funded under the projectized portion of the Program. Technical assistance activities will continue in concert with the PAAD amendment in order to provide support and guidance to MEPU as it strives to meet conditionality.

III. Program Assistance Description

A. Program Background

In 1989, the GOG designed a National Education Policy to rebuild its faltering education system, which had been substantially weakened by twenty-five years of mismanagement, under-funding and neglect. The Policy is being executed through the PASE, which encompasses a series of administrative and policy reforms intended to lay the framework for restructuring, expanding and improving the education system. In concert with two other donors, the World Bank and FAC, USAID/Guinea is providing financial support and technical assistance to the GOG to leverage the policy and structural changes needed in the education sector. In a parallel financing

arrangement with the World Bank's sectoral adjustment credit, USAID's budgetary support is intended to help achieve Guinean education sector objectives for improvements in (a) the allocation and mobilization of resources; (b) sector management; (c) internal and external efficiency; and (d) primary school access in rural areas. This parallel financing assists Guinea in addressing its short-term balance of payment deficit by liberating GOG resources from debt repayment obligations while it restructures both its economy and education system. An underlying assumption is that, ultimately, the flow of resources to the sector depends on the GOG's successful implementation of its macro-economic reform in order to increase its revenue flow and decrease its recurrent expenditure burden. Disbursement to the GOG was scheduled to take place in three tranches, following a determination that the specified performance conditions had been met. The performance conditions for each tranche disbursement were designed to develop and sustain the GOG's commitment to: (a) continually allocate adequate funding for teaching materials and operating expenditures; (b) assume an increasing share of the recurrent costs associated with the PASE and; (c) train and redeploy staff and redistribute resources within the education system to encourage more equal access to schooling, especially for girls and rural children.

The technical support package of the ESRP covers the cost of providing both long and short-term technical assistance, training and a limited amount of commodities. This assistance is provided through an institutional contract with Florida State University. Under this contract, two long-term advisors have been assigned to the Ministry of Pre-University Education (MEPU) to provide technical support in financial and administrative management. Short-term assistance is used on an as-needed basis to support efforts in financial management and other crucial areas, such as monitoring and evaluation, girls' and rural children's education. In-country and overseas training, as well as computers and support equipment are provided to Ministry personnel, including administrators and financial managers. While the FSU contract expires in January and will not be renewed, USAID plans to continue its technical assistance activities -- which will include two long term advisors to provide technical support in educational planning/monitoring and evaluation and financial management -- via personal services contracts. Continued technical assistance will help to address some of the issues outlined in the constraints analysis in this PAAD Amendement, (beginning on page 7). Additional technical support and training are provided by FAC in the areas of teacher training, statistics and inspection.

B. Progress To Date

The PASE has recently completed its second year of operation. Since the commencement of the ESRP in 1990, the GOG has initiated a wide series of actions to implement the reform program and to meet its objectives and conditions.

1. Meeting First Tranche Conditionality. In September, 1990, the United States and Guinean governments signed two Grant Agreements for the Education Sector Reform Support Program and the Education Sector Reform Support Project. The Conditions Precedent to the disbursement of the first tranche amount of \$5,300,000, required that the GOG secure adequate financing to implement the PASE and establish both baseline data and performance targets needed to track progress of the PASE in later years. In November, 1990, a "kick-off" seminar with MEPU personnel officially launched the PASE. In May, 1991, the GOG submitted documentation which satisfied these preliminary conditions. Funds were disbursed three months later in August, 1991, nearly a year after the Grant Agreement was signed. Delays were due to the inexperience of the Guinean officials in interpreting the conditions' requirements and producing acceptable documents within the required timeframe. This was further exacerbated by delays in fielding the necessary long-term technical assistance to aid the GOG in preparing the proper documentation. In March, 1991, USAID contracted with Florida State University (FSU), through a buy-in to the IEES Project, for the provision of long and short-term technical assistance.

Despite the delays, the GOG managed to demonstrate that it had secured sufficient funds for the PASE, a significant portion of which came from its own budget. The GOG also completed a school-mapping exercise and prepared a report showing prefecture and sous-prefecture data on staffing and teacher requirements, infrastructure, enrollments, and salaries. Plans for school construction, teacher training, and teacher redeployment were also submitted.

2. Meeting Second Tranche Conditionality. In February, 1992, USAID/Guinea conducted a review of the first year's activities and participated in the World Bank tranche review. This was followed by the first formal USAID tranche review in June, 1992. The review determined that during the year, the GOG had met all expenditure targets (Note: Unless otherwise indicated, GOG expenditures in this report refers to ordonnancements or commitments), surpassing the target for the education sector share of the GOG recurrent budget by 7 percentage points (from 17% to 25%), raising the proportion of non-salary recurrent expenditures for the education to 17 percent, and increasing primary education's share of the education budget to 35 percent. Per pupil and per administrator expenditure targets were also met or exceeded. To respond to equity requirements, an inter-ministerial Working Group on Equity was established, and a report prepared reviewing the determinants of girls' and rural children's education participation and proposing a plan for instituting national strategy development.

Two areas, however, experienced delays. School construction activities fell behind schedule due to the Ministry of Plan and Finance's (MPF) failure to disburse funds and MEPU's inability to

meet accounting criteria to obtain advances, although community participation targets were met. The politically problematic teacher redeployment condition had largely been ignored during the course of the year, but the tranche review process resulted in the GOG preparing an acceptable redeployment plan with target levels, schedule and procedures.

From a program management perspective, operations began to stabilize and routines were established. The PASE is being closely monitored through weekly meetings between major donors and the Secrétariat Technique, bi-monthly meetings with the Comité de Suivi, and monthly meetings with the Comité de Pilotage. During this time, USAID established an excellent rapport with the GOG and the World Bank which enabled it to successfully negotiate performance issues. The administrative and financial capabilities of MEPU staff showed improvement and performance documentation and reporting continued to get better.

3. Meeting Third Tranche Conditionality. Now entering its third year of operation, the ESRP has recently undergone a second tranche review to gauge performance prior to the release of the third tranche of funds. At a joint donor review in May, 1993, that included USAID/Guinea, the World Bank and FAC, the GOG demonstrated that the performance conditions had been fulfilled satisfactorily. Budgetary and allocative targets had been met or surpassed, with the share of education and primary education remaining at 25 percent and 35 percent, respectively, and non-salary recurrent expenditures increased to 29 percent of the education budget.

The efforts of the PASE are beginning to exhibit effects at the school level. Due to the teacher redeployment, new classroom construction and efforts by the Ministry to gain community support, the primary school gross enrollment ratio grew from 32 percent to approximately 37 percent during the year. First grade enrollments increased from approximately 35 percent to 47 percent, in line with GOG goals of 53 percent gross primary school enrollment by the year 2000. The retraining of all primary school teachers in French language and mathematics is nearing completion. Of particular note is that the past year saw the GOG accomplish the targeted redeployment of 1806 secondary school teachers to the primary level.

In contrast with previous tranche reviews, the comparative ease of preparing for the latest review demonstrates the progress the MEPU has made in terms of management and reporting, especially in the areas of finance. The Ministry's budgeting process has been improved and facilitated by the creation of a budget unit. In addition, the preparation of action plans with delineated costs has improved the link between the actual total budget requested and the activities planned. While not a third tranche condition, work to increase girls' and rural children's education opportunities

continued with USAID support to the development of a social mobilization campaign.

4. Mid-term Evaluation

Despite this encouraging progress, a mid-term external evaluation conducted in early 1993 revealed that school quality and equity goals were not being met to the extent desired. Specifically, the evaluation noted an absence of classroom quality-enhancing resources in schools, despite the marked increase in per pupil non-salary recurrent expenditures. It recommended that an increased emphasis be placed on improving girls' and rural children's educational participation. The evaluation also highlighted that technical capacity of Ministry personnel in both central and regional offices required continued and improved training support. The proposed fourth tranche conditions in this PAAD Amendment represent a first step in addressing the quality and equity improvements issues raised in the evaluation. Technical capacity issues are being addressed by ongoing and proposed technical assistance activities. Evaluation recommendations will also be taken into account as AID designs Phase II of the ESRP.

C. Constraints Analysis

While there are several factors which threaten the viability of the PASE on the political and macro-economic levels, it is institutional and program management issues which will pose the greatest challenge to GOG compliance with the performance conditions of this amendment.

1. Cash-Transfer-For-Debt Repayment Mechanism. Non-project assistance (NPA) to the GOG is in the form of a cash grant to be used for repayment of GOG debt. The PAAD called for disbursements to be made to a special account at the Federal Reserve Bank of New York for onward transfer in satisfaction of the GOG's debt amortization requirements, based on a debt repayment plan agreed to by USAID and the GOG. This modality was recommended in light of the GOG's poor record in handling counterpart funds prior to 1989. While only one tranche has thus far been disbursed by USAID, this mechanism has appeared to function satisfactorily in that the GOG has met the financial conditions of performance, MEPU has successfully "petitioned" MPF for resources and USAID/Guinea has not had to track local currency in a system whose internal controls are weak. Recent experience with accounting for PL-480 funds given to the MPF has demonstrated that its ability to respond to USAID criteria is nascent.

Despite a positive tranche review based on compliance with ESRP's Conditions, second and third tranche funds have not yet been released. Concerning disbursement of the second tranche, while the GOG was notified of the availability of funds by a Project Implementation Letter in November, 1992, they did not submit the

requested debt repayment plan until February, 1993. Disbursement of the second tranche has not yet been made because the GOG has had to revise the original debt repayment plan to take into account the Paris Club debt rescheduling agreement, which was signed in March, 1993. Consequently, disbursement of the third tranche has also been delayed.

Delays in disbursement are also symptomatic of a complex circuit for acquiring information, and effectuating and verifying payments. Numerous institutions are involved and the cash-transfer-for-debt repayment mechanism is not familiar to many of the players. USAID is planning to streamline this mechanism through direct consultations with the GOG's National Directorate for the Budget, and through direct payment by A.I.D./W to creditors on the GOG's behalf. In addition, during design of the second phase of the ESRP, USAID will examine alternative mechanisms for non-project assistance that may more effectively reinforce sectoral objectives while reducing the management burden on project managers.

2. Delays In GOG Disbursements To MEPU. By design, USAID non-project assistance funds were not specifically earmarked for the education sector, however, as precondition of the PAAD, the MPF agreed to meet expenditure levels and to release funds to the sector. Nevertheless, over the past two years MEPU has experienced difficulty obtaining funds from MPF once its budget has been approved. Sector expenditure targets have been met, but there have been delays in disbursements from MPF. The MPF is also laboring under certain pressures, which are, at times, inimical to the education sector needs. The shortfall of funds and compliance with IMF conditions, have caused delays and have, at times, made it difficult for MEPU to execute its budgeted activities plan and provide timely assistance to the schools. Another problem has been the incongruence of the GOG and PASE fiscal years. The GOG fiscal year is January to December; the PASE fiscal year is October to September, which is the school year. Items, such as textbooks, which should be purchased and delivered before the beginning of the school year, often are not available until later in the year due to late release of funds. This difference also presents a problem with satisfying conditionality, since some of the conditions are linked to actual budget expenditures, not allocations or obligations, that are usually not made until the last quarter (Oct-Dec) of the GOG fiscal year, or the first quarter (Jan-March) of the new GOG fiscal year. USAID long-term technical assistants will continue to work with GOG institutions to improve budgeting practices and the flow of resources among and within Ministries.

3. Lack of Planning Capacity At MEPU. While great strides have been made in developing budgeting procedures and linking budget with work plans, MEPU has not developed the planning capacity required to guide the PASE reforms, nor to make informed financial planning decisions and chart the course of the education system's development into the next decade. The capacity to plan is

required to ensure that classroom quality items are identified and costed out, and that resource allocation is conducted in accordance with quality and equity-enhancing criteria. Further, as noted above, expenditure levels and amounts should be re-examined to identify optimal expenditure levels in terms of efficiency and sustainability. No group currently in the Ministry, including the Planning Unit, can undertake this type of analysis. The Planning Unit is primarily responsible for undertaking special studies funded and led by external donors. In response USAID is in the process of hiring a PSC, under the technical assistance package, to support the institutional development and training of such a planning unit.

Closely linked with planning is the issue of monitoring and evaluation. The PAAD provided a detailed plan and scenario for this activity, but it was never implemented under the technical support component of the ESRP. The FAC has funded a study which addresses several salient evaluation questions, but there is still no routine internal system of evaluation which will allow both the GOG and donors to assess PASE progress and impact at an institutional and programmatic level. This routine analysis is required for diagnostic and planning purposes. The education planner will need to address this issue as part of the planning capacity building effort.

4. Other Institutional and Programmatic Challenges. The timeliness of the internal availability of resources continues to pose problems and create delays in procurement and construction schedules. The construction schedule has slipped by one year, with 51 classrooms built and 105 under construction out of a total of 356 planned. The delay in construction activities is due both to the MPF's failure to disburse funds and MEPU's inability to meet accounting criteria to obtain advances.

As noted previously, an external mid-term evaluation of the ESRP indicated that school quality and equity goals were not being met to the extent desired in the PAAD, and that technical capacity of Ministry personnel in both central and regional offices required continued and improved training support. To address these and other issues, USAID plans to undertake an education sector assessment in the first quarter of FY 94 as a follow-on to the evaluation and precursory to redesigning ESRP. In addition, it will continue to provide long term financial management assistance and short term technical expertise, as needed.

IV. Updated Program Description

A. Description of Fourth Tranche Conditions

Both the original PAAD's and this amendment's conditions and covenants address six different categories of intervention. This amendment will continue and build on the progress achieved with the

original conditions by maintaining the performance conditions concerning allocation and expenditure levels, quality improvements, equity improvements, school construction and maintenance, administrative and management efficiency, and private school support. Moreover, the amendment's conditions and covenants communicate more explicitly the intentions of the original conditions and represent their logical extension. The six categories of intervention are described and discussed below as well as in Annex A to this amendment.

1. Allocation and Expenditure Levels. Conditions (a) and (b) express the core concept of the USAID education sector program--that an increase in both primary education's share of the education budget and non-salary recurrent expenditures will serve to overcome a severe budgetary deficit which compromises the ability of Guinea's education system to provide primary education to most of its school-aged population. The intent of these conditions is twofold. First, an increase in the overall education sector and primary education subsector's share of the GOG budget and an increase in the percentage of recurrent expenditures in the primary education budget is required in order to expand access and improve quality. With more resources devoted to primary education, the system can expand and reach those children who have been previously excluded. Further, with more funds going to non-salary recurrent expenditures school quality can improve through the provision of classroom inputs. Increasing the expenditure per administrator recognizes that initially system improvement will require disproportionately heavy "up-front" administrative costs. Second, a commitment on the part of the GOG to sustain these increased expenditure levels is required. By using the NPA modality, USAID anticipates a "spin-off" effect in terms of improved budgeting, financial management and reporting, which was not explicitly stated in the conditionality but necessary to demonstrate compliance.

In the previous three tranches of the ESRP these budgetary and expenditure performance requirements have met with success and GOG compliance, demonstrating a sincere commitment to education reform in Guinea. The GOG has increased the education budget share from 14 percent in 1990 to 25.2 percent in 1992. Primary education's share of the budget has increased from 30 percent in 1990 to 35 percent in 1992. In spite of teacher salary increases, personnel expenditures have decreased as a proportion of the education budget, and non-salary recurrent expenditures have jumped from 7 percent in 1990 to 29 percent in 1992. Per pupil and per administrator expenditures have far surpassed the performance condition goals. One of the intended outcomes, that has already been felt at the school level, is the increase from 28 to 36 percent of the gross enrollment ratio in primary schools. Additionally, the Ministry's financial procedures have improved dramatically. The budget is now based on need, and a system of expenditure reporting has been established at both the central and

prefecture levels which is disaggregated by level of education, nature of expenditure and line item. These levels must be maintained to ensure that resources will be provided to accomplish PASE objectives.

2. Quality Improvements. Condition (b.v) aims to focus expenditure more closely on quality inputs in order to have a more direct impact at the school level. As noted previously, expenditure level conditions alone can not guarantee or adequately express all the goals of the ESRP, nor can they articulate many of its underlying assumptions. Education quality, for example, has not been sufficiently addressed in the previous tranche conditionality. One important shortcoming has been that there is no prioritization or identification of the proper mix of classroom or administrative inputs. The original assumption was that the increase in per pupil expenditures would largely be devoted to classroom quality-enhancing inputs, such as textbooks and instructional materials. Similarly, per administrator expenditures would enhance administrative capacity and quality. In the previous tranches, however, these resources or inputs have neither been specified in the conditions nor has the GOG been required to identify and prioritize resources to enhance learning quality.

A final problem area has been in the across-the-board increase in per pupil and administrator expenditures. While increasing the share of primary education will improve equity, the approach adopted by the GOG has been to distribute resources equally, but not necessarily equitably, to all schools. It has not targeted, nor did the previous conditionality require that it target, disadvantaged areas or schools to receive a disproportionate amount of resources. Consequently, better-endowed schools benefited to the same extent as poorer schools. Although resources have been made available at a decentralized level, a more defined approach could have enhanced the equitable distribution of quality inputs to the neediest schools and students. By requiring the GOG to identify the percentage of expenditure going to quality-enhancing resources and identify priority inputs, it ensures that the original intention of the PAAD is carried out.

3. Equity Improvements. Condition (c) requires that the GOG take the next step in the development and implementation of its national strategy to increase the education participation of girls and rural children. It was clear at the time of the ESRP design that there were disparities in rural-urban and boy-girl education participation. Most of the ESRP performance conditions either implicitly or explicitly reference equity concerns. Because of the lack of data and the short time horizon for the budgetary support component (as little as three years), previous conditions which directly addressed equity, were limited to knowledge building. The original intent was to collect data to clarify the dimension of the problem and its causes, so that at a later stage equity concerns could be addressed both at a policy level and programmatically.

Several steps have been undertaken in fulfillment of the condition. Data on education is now routinely disaggregated by gender, although not by rural-urban criterion. A survey of parental attitudes towards girls' education was conducted by Ministry staff. The Ministry formed the Working Group on Equity which prepared a report reviewing supply-side and demand-side constraints to participation, including the policy and programmatic environment, resulting in an action-research plan to advance national strategy formulation. The action-research effort is being currently implemented by the GOG with World Bank funding and USAID has initiated a social mobilization campaign targeting girls. With both the completion of the action-research program in September, 1993, and the implementation of the social marketing campaign, an awareness and knowledge base will have been built to allow detailed strategy development and to craft programs targeting girls and rural children.

4. School Construction and Maintenance. Condition (d) is a continuation of previous tranche conditions. Its objective is to support the alleviation of a crucial supply constraint, the lack of school places. Its intents are multiple: (a) to encourage the GOG to explore new means of financing school construction and maintenance through community contributions; (b) to encourage community participation and ownership in schools; (c) to demonstrate the effectiveness of the school construction model based on new standardized low-cost construction norms and community participation and; (d) to attract and maximize the effectiveness of donor funds for school construction, recognizing that the investment budget would continue to require external financing.

During the first years of the PASE, school construction activities have proved somewhat problematical. While local community participation/contribution has been a success, several obstacles have impeded timely compliance on the GOG side. Delays in disbursement of funds to MEPU by MPF, problems with the revolving account established for the construction and various other bureaucratic impediments, have put construction a year behind schedule with the result that not as many schools have been built as planned. In order to get around this problem and in recognition of the multiple intentions of the condition, the donors to the PASE have established some "stop-gap" or intermediate performance criteria by which to judge GOG compliance. For example, the GOG is now required by the World Bank: to place funds in the Public Investment Program; to conduct an internal audit of the construction unit; and to reduce by half the number of schools scheduled for construction. By the end of 1993, 156 classrooms out of 356 will have been built. In order to complete the original construction plan, the GOG must construct an additional 200 classrooms. Condition (d) puts pressure on the GOG to complete this effort and provide the additional schools that are badly needed.

5. Administrative and Management Efficiency. Condition (e) requires that the GOG complete the teacher redeployment activity initiated and undertaken during the previous tranches, as part of its effort to restructure and effect a remix of education inputs in order to increase system efficiency. The GOG has successfully undertaken the politically and administratively challenging task of teacher redeployment, despite initial delays. Approximately 1284 teachers have been placed in primary school classrooms. Another 542 teachers will be assigned as soon as classrooms are available.

Covenant (a) calls for the dissolution of the Secrétariat Technique at the close of the PASE. Its intent is to ensure that the coordinating and oversight functions of the Secrétariat Technique, as well as the Comité de Pilotage are incorporated into MEPU's hierarchy, in contrast to its current extra-hierarchical status. The Secrétariat Technique has fulfilled its functions in this first stage of the PASE. As the second stage of the PASE begins, its functions are still required but its integration into normal Ministry operations and hierarchy should be initiated. Further, the Service de Coopération Technique et des Projets, which is responsible for construction, should also be under the direction and coordination of the General Secretary's office, given that it manages one of the key components of the PASE.

6. Private School Support. Throughout Africa, there is a growing recognition of the existence of private schooling and its potential for increasing schooling opportunities and expanding the reach of national education systems. As in many Muslim countries, koranic schools in Guinea represent a "shadow" or "parallel" school system, which reaches far more children than the government schools. In addition, there are a handful of medersas (Franco-Arab schools) and private religious schools, and a very few private entrepreneurial (for profit) schools. In Guinea, as elsewhere, relatively little is known about private sector education and the role it can play in Guinea's educational development. Numerous questions exist: Is there enough demand for education to spur private investment? At what levels? In which regions? Are Koranic schools successful in imparting basic literacy? Could they be used to teach other skills, what is their treatment and attitude toward girls? etc.

Private schooling in Guinea was controlled and particularly suppressed under the previous government, so that there is relatively little actual experience in terms of demand and supply issues. While registration procedures allow the GOG to track the numbers, types of school (unlike many countries, "illegal" or unlicensed schools do not appear to be a problem) and their enrollments, there is relatively little information of a qualitative nature which would provide insight into the nature of demand and performance of these schools at the primary level.

The education sector assessment, planned for early in FY 94, will take a closer look at private education and will outline a detailed program for increased involvement and partnership with the private sector. Covenant (b), commits the GOG to analyze the nature of private education sector in Guinea, assess its growth potential and begin to remove the barriers to its development that are imposed by the government.

B. The Status of GOG Debt

Guinea's outstanding medium and long-term public debt totaled approximately \$2.5 billion or 78 percent of GDP at the end of 1992. Over \$800 million of this is owed to international organizations including the World Bank (approximately \$600 million) and the African Development Bank (ADB/ADF) and Fund (nearly \$200 million). An additional \$800 million is owed to participants in the Paris Club. Of this latter amount, approximately \$116 million is owed to the United States under past PL-480 (both USDA and A.I.D.) and Export-Import Bank loans. Much of the balance of Guinea's debts is owed to the former Soviet Union and Eastern European states. In addition, the GOG owes over \$60 million to the International Monetary Fund (IMF). A Paris Club debt rescheduling agreement, concluded in late 1992, relieves Guinea of much of its debt servicing burden for 1993. As a result, Guinea's estimated debt servicing requirements for 1993 are \$158 million, or 24.4 percent of export earnings.

USAID has obligated \$22.3 million to date for repayment of multilateral and U.S. bilateral debts under the ESRP. The present Amendment would authorize an increase in the non-project assistance allocated for debt repayment of \$6,838,635, for a total of just over \$29.1 million. The first tranche of \$5.3 million was fully disbursed in 1992 and applied to servicing World Bank loans and IMF liabilities. Thus, with this amendment, approximately \$23.8 million will be available for additional debt repayments.

The GOG has expressed its preference to apply the second \$8.8 million tranche of the ESRP grant to servicing U.S. bilateral loans. With the recent Paris Club agreement, estimated debt service due to the U.S. in 1993 (under non-reschedulable loans) is \$1.3 million. Other eligible uses in 1993 include \$2.2 million in World Bank debt that will become due between August 1 and December 31, and \$3.9 million in payments due to the IMF. The GOG is current on payments through July to the World Bank and through December to the ADB/ADF.

Estimated debt service requirements for 1993 through 1995 for the U.S. and multi-lateral institutions are summarized in Table One below. Based on these estimates, it is clear that there are sufficient eligible debt servicing requirements to absorb the proposed increase in ESRP funding.

Table One: Estimated Debt Service Requirements: 7/93 - 12/95 (000)

Creditor	1993	1994	1995
United States	1,321	1,346	1,336
• USDA	1,235	1,260	1,250
• AID	86	86	86
• EX-IM	0	0	0
World Bank	2,200	5,000	5,000
IMF	3,900	6,300	8,600
ADB and ADF	0	10,000	10,000
Total	7,421	22,646	23,600

Note: USAID/Conakry staff estimates. 1993 figures do not include debt service paid prior to 6/30/93.

C. Program Financial Plan

In spite of the fact that there have been delays in disbursing the second and third tranches to the GOG, USAID remains confident that the both tranches will be released by the third quarter of FY 94, and thereby comply with the Agency's Forward Funding Guidelines (per State 402820, dated 12/15/92). Table Two contains an estimated timetable for disbursements of the second, third and fourth tranches.

Table Two: Disbursement Schedule For Tranches 1, 2, 3, and 4

	Date Conditions Met	Date of Disbursement	Amount of Disbursement
Tranche 1	5/91	8/91	\$5,300,000
Tranche 2	6/92	9/93 (est)	8,800,000
Tranche 3	6/93	1/94 (est)	8,200,000
Tranche 4	5/94 (est)	9/94 (est)	6,838,635
Total	-	-	\$29,138,635

The proposed PAAD amendment will add \$6,838,635 to the NPA portion of the ESRP, increasing it from \$22.3 million to just over \$29.1 million. This increase will constitute a fourth tranche of funds for the Program, and will be disbursed for debt repayment upon satisfactory compliance by the GOG to the

conditionality described below. Based upon its first two and half years of experience with the management of the cash grant, USAID plans to streamline the debt repayment mechanism through direct consultations with the GOG's National Directorate for the Budget, and through direct payment by A.I.D./W to creditor's on the GOG's behalf. This mechanism will conform to USAID Financial Management Bulletin No. 7, based on U.S. Treasury guidelines, and with the November, 1992 GAO Report entitled, "Cost Reductions Possible for Improved Cash Transfer Management." During design of the second phase of the ESRP, USAID will examine alternative mechanisms for NPA that may more effectively reinforce sectoral objectives while reducing the management burden on program managers.

The amendment does not alter the activities funded under the projectized portion of the Program. Technical assistance activities will continue in concert with the PAAD amendment in order to provide support and guidance to MEPU as it strives to meet conditionality.

D. Conclusion

During its initial years of operation, the PASE has made considerable progress in launching education reform. Even at this early stage of the process, the effect of its efforts have been demonstrated at sectoral, institutional and school levels. Central-level policy changes have increased GOG budgetary allocations to education and specifically, to primary education. Non-salary recurrent expenditures have increased as a proportion of the education budget, as have per pupil expenditures at the primary level. There have been observable gains in the administrative efficiency and capacity of MEPU to support the sector in terms of institutional reorganization, budgeting and financial management, data collection and analysis, teacher redeployment and training.

Nevertheless, the transformation of the sector and its ability to deliver quality primary school instruction to the majority of its school-aged children is not assured. Despite increased funding for the sector and impressive gains in primary school enrollment, Guinea still ranks among the lowest of sub-Saharan African countries in terms of primary school gross enrollment ratios, girls' participation rates, and completion/repetition rates. Further, most education resources continue to be concentrated in urban areas, accounting in part for low enrollment in rural regions. While education participation at the primary level is necessarily constrained by lack of infrastructure, trained teachers and classroom inputs (such as textbooks), low demand for education also contributes to low enrollment and high attrition rates. The lives and aspirations of rural children, especially girls, and their parents are not necessarily congruent with the education system. While the GOG's recognition of these

disparities, inequities and realities is nascent, the PASE has taken some notable steps to address the issues of school quality and equity, primarily through increased resource levels, school construction activities, teacher training and improved data collection/reporting to pinpoint problems and assist planning. Further action, both at the policy and program levels, is needed in order to extend and enhance current PASE efforts to improve education quality and increase equity, so that its impact is felt and demonstrated at the student level.

In view of both the progress made by the GOG and the sectoral goals which require further support, USAID plans to continue to assist the GOG implement the PASE. The proposed PAAD amendment will provide essential support to the GOG for maintaining the PASE's momentum while allowing USAID the time to better identify and understand key areas for intervention and to design a budgetary and technical support package for the second phase of the PASE. The fourth tranche conditions more clearly define the progress we want to see made in the education sector and are designed to push the GOG harder to attain an even higher level of performance and to begin new activities that are sequential to attaining greater impact in student enrollment, equity and quality education.

V. Conditions for Fourth Tranche Disbursement

1. Conditions

Prior to the fourth disbursement under the Grant, the Grantee shall, except as USAID may otherwise agree to in writing, furnish to USAID, in form and substance satisfactory to USAID:

(a) Evidence that in the budget year 1993 the share of the Grantee's expenditures for the:

(i) education sector expenditures were maintained at no less than 25 percent of the total national budget expenditures for that period;

(ii) primary education sub-sector expenditures were maintained at no less than 35 per cent of the total education sector budget expenditures for that period;

(iii) non-salary recurrent expenditure level in the education budget was maintained at no less than 18 per cent, excluding transfers and student subsidies at higher levels of education (i.e., all but primary); and

(iv) primary education per pupil and overall per administrator expenditures were maintained at GF 2,800 and 210,000, respectively.

(b) Evidence that in the budget year 1994 the share of the Grantee's allocations for the:

(i) education sector is maintained at no less than 25 percent of total national budget allocations for that period;

(ii) primary education subsector is maintained at no less than 35 percent of the total education budget allocations for that period;

(iii) primary education subsector non-salary recurrent costs, excluding transfers and student subsidies at higher levels of education, is maintained at no less than 18 percent of the total education budget allocation;

(iv) primary education per pupil and overall per administrator expenditures are maintained at no less than GF 2,800 and GF 210,000, respectively.

(v) primary education sector includes acceptable classroom quality inputs for students and related teaching aides (such as textbooks, teacher guides, etc., which are to be negotiated with USAID), based on analysis of 1993 per pupil and per administrator expenditures with respect to classroom quality inputs, and per pupil and per administrator resources are disbursed according to priority needs in terms of acceptable school quality and equity-enhancing criteria.

(c) Evidence that the Grantee has acted on its equity plan (formulated in October, 1992), and has prepared a national plan which identifies specific strategies, interventions and programs to increase girls' and rural children's educational participation and incorporates the more precise information derived from both the awareness campaign and the action research project. The national plan shall contain verifiable target levels for 1995.

(d) Evidence that the Grantee has constructed 200 classrooms in 1994; allocated budget resources sufficient to supplement local contributions for classroom construction and; developed an overall school construction and maintenance plan.

(e) Evidence that the Grantee has completed the redeployment of teachers to primary school classrooms according to the plan that was presented during the 1993 Joint Donor Review.

2. Additional Covenants

The Grantee will covenant to:

(a) Incorporate the functions of the Comité de Pilotage, for primary education, the Secrétariat Technique and the Service de Coopération Technique et des Projets into the General Secretary's office of the Ministry of Pre-University Education.

(b) Review its licensing and certification procedures for private schools and develop a plan to remove impediments, with a view to encourage the development of the private education sector.

Guinea Education Sector Reform Program (675-0222)

PAAD Amendment No. 3

A N N E X E S

- 1. Original PAAD Conditions and Covenants**
- 2. GOG Performance Under Tranche 1, 2, and 3 Conditionality**
- 3. Revised Logical Framework**
- 4. Projected Sectoral Financing Schedule**

ANNEX 1

Conditions and Covenants

1. General Conditions

"...Cooperating Country shall...furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel that the Program Grant Agreement has been executed on behalf of and duly authorized and/or ratified by the Grantee and that it constitutes legally binding agreement of the Grantee in accordance with all of its terms and;
- (b) A statement of the name of the person holding or acting in the office of the Cooperating Country and of any additional representatives, together with a specimen signature of each person specified in such statement."

2. Disbursement of Funds for Technical Assistance, Training and Supplies

"...Cooperating Country shall...furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) Quarterly administrative accounting reports (comptabilité administrative) for the current year as evidence of timely execution of allocations in the education sector and;
- (b) Evidence that the GOG has broken down allocations and expenditures in the education sector budget by level of education (e.g., primary, secondary) and by type of expenditure (e.g., central administration, salaries, non-salaried recurrent costs, decentralized administration)."

3. First Disbursement of the Cash Grant

"...Cooperating Country shall...furnish to A.I.D....evidence that the Grantee has:

- (a) Established a special separate non-commingled account in the federal reserve bank of New York, the number of which shall be furnished to A.I.D., into which disbursements under the Grant will be deposited, and from which payments to approved creditors will be made;
- (b) Secured adequate financial resources from other donors or its own revenues to cover the cost of the PASE for the upcoming year;

- (c) Prepared a plan that provides for the assumption by the GOG of the recurrent costs associated with the PASE upon withdrawal of donor budgetary support at the end of the second phase of the PASE. The plan should make provision for steady, incremental growth in the percentage of total GOG recurrent expenditures realized by MEN/SEEP. The plan should specify annual levels increasing from 14 percent to 17 percent to 21 percent within three years after the end of the PASE. The plan should also present a framework for choices with respect to corresponding reductions in other components of the budget;

- (d) Prepared a report providing base line data at the prefecture level on indicators including school facilities (i.e. building and equipment), teachers (i.e. numbers and qualifications), salary and non-salary recurrent expenditures, enrollments by gender and region (i.e. urban/rural), and other indicators requested by USAID/Guinea and;

- (e) Prepared plans specifying targets for 1) training, retraining, and redeploying teachers and 2) school rehabilitation and construction that are consistent with A.I.D.'s gender-equity objectives and that provide for more equal access to schooling throughout the country by the end of the second phase of the PASE."

4. Second Disbursement of the Cash Grant

"...Cooperating Country shall...furnish to A.I.D....proof that the Grantee has:

- (a) Secured adequate financial resources from other donors or its own revenues to cover the cost of the PASE for the upcoming year;
- (b) Managed the education budget in the first year of the PASE such that expenditures amount to at least FG 2,800 for teaching materials per primary pupil, and FG 210,000 for operating expenditures per administrative staff, and the proportion of the education recurrent budget allocated to primary education in the second year of the PASE is at least 24 percent and to material and operating expenditures is at least 17 percent;
- (c) Allocated the education budget for the second year of the PASE to achieve a level sufficient to match locally generated primary classroom construction funds, consistent with the objective of increased enrollments;

- (d) Increased the percentage of GOG expenditures by MEN/SEEPU during the first year of the PASE in conformity with the targets established in the plan described in paragraph 3(c);
- (e) Increased the percentage of the annual recurrent budget allocated to MEN/SEEPU by the GOG for the second year of the PASE in conformity with the targets established in the plan described in paragraph 3(c);
- (f) Conducted a study to be funded by the technical assistance component of the GESG, to determine the factors involved in household decisions to enroll children in primary schools and developed a plan to redress constraints at national and regional levels to the enrollment of children in rural areas and girls and;
- (g) Produced an annual report demonstrating reasonable progress toward the targets specified in the plans described in paragraphs 3(c) and 3(e), based on prefecture-level data on indicators including construction and rehabilitation budgets and expenditures, assignment of teachers, salary and non-salary recurrent expenditures, enrollments by gender and region (i.e. urban/rural) and other indicators requested by USAID/Guinea."

5. Third Disbursement of the Cash Grant

"...Cooperating Country shall...furnish to A.I.D....proof that the Grantee has:

- (a) Secured adequate financial resources from other donors or its own revenues to cover the cost of the PASE for the upcoming year;
- (b) Managed the education budget in the second year of the PASE such that expenditures amount to at least FG 2,800 for teaching materials per primary pupil, and FG 210,000 for operating expenditures under the education recurrent budget during the second year of the PASE have been at least 34 percent for primary education, and 17 percent for material and operating expenditures; and recurrent budget allocations for the third year of the PASE have been increased to 35 percent for primary education, and 18 percent for materials and operating expenditures;

- (c) Allocated the education budget for the third year of the PASE to ensure sufficient central funds will be available to match locally generated primary classroom construction funds, consistent with the objective of increased enrollments;
- (d) Produced quarterly reports which demonstrate that the percentage of GOG expenditures by MEN/SEEPU has continued to increase in conformity with the targets established in the plan described in paragraph 3(c);
- (e) Increased the percentage of the total recurrent budget allocated to MEN/SEEPU by the GOG for the third year of the PASE in conformity with the targets established in the plan described in paragraph 3(c);
- (f) Produced an annual report demonstrating reasonable progress toward the targets specified in the plans described in paragraphs 3(c) and 3(e), based on prefecture-level data on indicators including construction and rehabilitation budgets and expenditures, assignments of teachers, salary and non-salary recurrent expenditures, enrollments by gender and region (i.e. urban/rural) and other indicators requested by USAID/Guinea and;
- (g) Demonstrated that the secretariat technique will be dissolved at the end of the PASE, including any extension thereof."

Covenants

1. The GOG will covenant to provide to USAID/Guinea all documents and reports related to the education sector adjustment credit required by or submitted to other donors to the PASE effort.
2. The Grant will be free from any taxation or fees imposed under the laws in effect in Guinea.
3. The Grant will not be used to finance military, paramilitary or police requirements of any kind, including the procurement of commodities or services to be used by the military or police, or to pay principal or interest on loans to or for the military or police.

ANNEX 2

EDUCATION SECTOR REFORM PROGRAM: GOG PERFORMANCE UNDER TRANCHE 1, 2, and 3 CONDITIONALITY

First Tranche		Second Tranche		Third Tranche	
Condition	Comments on Performance	Condition	Comments on Performance	Condition	Comments on Performance
ADEQUATE FINANCING					
3(b)	<ul style="list-style-type: none"> •Produced report showing share of 1991 budget covered by GOG/IDA. •Demonstrated that over 80% of sector financing came from GOG. •Budget compiled on basis of increased non-salary expenditure for inputs targeting a level sufficient to meet conditionality. •True costing out of reform initiatives and additional inputs not performed. 	4(a)	<ul style="list-style-type: none"> •Same as 3(b) for first tranche. In fact 1992 budget based less on costing out of inputs than 1991 budget. 	5(a)	<ul style="list-style-type: none"> •Have not determined how 1993 budget prepared.
ALLOCATION AND EXPENDITURE LEVELS					
3(c)	<ul style="list-style-type: none"> •Report prepared by consultant showing increasing trend in allocations to sector growing to meet targets before end of second phase (1996) and indicating corresponding reductions in other sectors. •GOG share going to education has surpassed targets primarily because of salary increases in first 2 yrs of PASE. •Non-salary side of education budget has also increased. 	4(d)	<ul style="list-style-type: none"> •Budget report demonstrated sector's share of expenditure attained 25% in 1991. •GOG share going to education has surpassed targets primarily because of salary increases in first 2 yrs of PASE. •Non-salary side of education budget has also increased, but is difficult to ascertain if is solely due to external support. 	5(d)	<ul style="list-style-type: none"> •Budget report that demonstrates education sector's share of expenditure unavailable.
		4(e)	<ul style="list-style-type: none"> •Budget for 1992 showed education receiving greater share than targeted. •Budget preparation still primarily based on using up available external financing. 	5(e)	<ul style="list-style-type: none"> •1993 GOG budget shows education share as 26%. •GOG continues to accord greater share of budget to education, above original targets.

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First Tranche		Second Tranche		Third Tranche	
Condition	Comments on Performance	Condition	Comments on Performance	Condition	Comments on Performance
QUALITY IMPROVEMENTS					
		4(b)	<ul style="list-style-type: none"> • Budget report submitted covering last quarter 1990 and three quarters of 1991 demonstrated compliance with all expenditure targets. • 1992 budget proposal submitted demonstrating sufficient allocations to meet targets. • All targets met or surpassed as non-salary expenditures in the sector increased. • Some problems with timing of availability of resources. • Attempted to prepare 1992 budget on basis specific needs, however, actual budget submission based on multiple of 1991 budget. 	5(b)	<ul style="list-style-type: none"> • Budget report submitted covering last quarter '91 and 3 quarters '93 shows compliance with all expenditure targets. • 1993 budget proposal submitted meet targets. • All targets met or surpassed as non-salary unit expenditures in sector increased to FG 11,618 and 591,478. • Primary share attained 35% and non-salary expenses, constituted 29% of recurrent expenditure. • Still problems with timing & availability of resources; over-emphasis on admin expend.
EQUITY IMPROVEMENTS					
		4(f)	<ul style="list-style-type: none"> • Determinant study submitted by MEPU. Policy review and action research plan prepared as part of national strategy. • Analysis of constraints to access before framing strategy and policy. • Working group formed to manage research designed to build on initial report. • Social mobilization campaign proposed to target rural girls. 		

First Tranche		Second Tranche		Third Tranche	
Condition	Comments on Performance	Condition	Comments on Performance	Condition	Comments on Performance
ADMINISTRATIVE AND MANAGEMENT EFFICIENCY					
3(d)	<ul style="list-style-type: none"> • Report prepared by SSP showing prefecture and sous-prefecture level data on enrollments, infrastructure, teachers, salaries, etc. • Report has not served as baseline for monitoring equity concerns. Data from school census and school map serve as reference points. 				
3(e)	<ul style="list-style-type: none"> • Plans submitted; teacher training based on implement. of FAC program. • School construction plan based on IDA targets and other donor funded projects. No rehabilitation plan. • No suitable redeployment plan until 2nd tranche. No detailed accounting of schools being constructed under different financing each year. 	4(g)	<ul style="list-style-type: none"> • Report submitted explaining lack of progress in construction. • Final, acceptable redeployment plan submitted. • Tracking of indicators revealed improvements in enrollments and in non-salary expenditure at DPE level. 	5(f)	<ul style="list-style-type: none"> • Redeployed 1806 teachers as planned, 1213 of which assigned to primary classrooms. • Construction of 51 classrooms intended for '91, completed 4/93. • Work on 105 classrooms scheduled for 1992 now being financed with PL480, only partially complete.
				5(g)	<ul style="list-style-type: none"> • GOG intends to abolish ST and establish a division within the General Secretary's office which would assume the roles of donor coordination and sectoral policy mgmt. • This condition intended to encourage MEPU to foresee the dissolution of the ST, which was to serve a temporary function during the period of sectoral adjustment.

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First Tranche		Second Tranche		Third Tranche	
Condition	Comments on Performance	Condition	Comments on Performance	Condition	Comments on Performance
SCHOOL CONSTRUCTION AND MAINTENANCE					
		4(c)	<ul style="list-style-type: none"> ● PIP included GOG allocation (ie not donor financing) sufficient to cover 80% of construction costs for 2nd year IBRD targets (105). ● Although line item appeared in PIP, actual allocation proved major obstacle to completion of construction component of PASE. ● MPF unwilling or unable to make funds available. Accounting practices in field insufficient to meet its guidelines for advancing funds. 	5(c)	<ul style="list-style-type: none"> ● 1993 PIP does not show allocation for third year construction targets (200 classrooms). ● Construction program is so far behind schedule that the third tranche of classrooms is being put off until 1994. ● GOG concentrating this year on completing outstanding work on 105 classrooms from 2nd tranche.

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ANNEX 3

LOGICAL FRAMEWORK FOR SUMMARIZING PROJECT DESIGN

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>PROGRAM GOAL:</p> <p>To increase the capacity of the Guinean people to define, direct and contribute to their own economic and social development.</p>	<p>MEASURES OF GOAL ACHIEVEMENT:</p> <ol style="list-style-type: none"> 1. Increased political participation: constitution, more newspapers, resource diffusion to local level. 2. Increased mobilization of local resources: taxation, parent-teacher associations, # of NGO's, private donations. 3. Increased private sector activity: private schools, local enterprise. 4. Increased literacy, especially for women: literacy rate. 5. Reduced fertility. 6. Reduced infant mortality. 	<ol style="list-style-type: none"> 1. Copy of Constitution. 2. Copies of newspapers 3. National budget, accounts. 4. Tax records. 5. Lists of APE's. 6. NGO registration records. 7. Private school certification. 8. Tax receipts. 9. Statistical Yearbook. 10. Ministry of Public Health. 	<ol style="list-style-type: none"> 1. Education leads to increased capacity.
<p>PROGRAM PURPOSE:</p> <p>To achieve a level of staff and organizational performance within MEN which promotes a continuously improving quality of schooling to a continuously increasing percentage of the primary school age cohort and to ensure equitable access to girls and rural children, through support of the implementation of the National Educational Policy of the GOG.</p>	<p>EOPS:</p> <ol style="list-style-type: none"> 1. Targets, strategies and implementation budget plans to improve quality, access and efficiency of primary schooling being developed and monitored on a regular basis by MEN staff. 2. GER for primary school of 38% by 1995. 3. GER of girls in primary school increases to 24% by 1995. 4. 5% increase in enrollment in rural areas by 1992. 5. 30% admission rate by 1992. 6. Increased completion rate (40%), to reach 72% by 2000. 7. Reduced years instruction/or adequate (16.1), to reach 8.2 by 2000. 	<ol style="list-style-type: none"> 1. Summative evaluation report. 2. Statistical Yearbook; GOG Annual Report. 3. Statistical Yearbook; GOG Annual Report. 4. Statistical Yearbook; GOG Annual Report. 5. Statistical Yearbook; GOG Annual Report. 6. Statistical Yearbook; GOG Annual Report. 7. Statistical Yearbook; GOG Annual Report. 	<ol style="list-style-type: none"> 1. Population growth rate does not increase. 2. Obstacles to girls' enrollment can be addressed by the educational system. 3. Political commitment to shift resources to rural areas.

* EOPS 2 and 3 were amended during the August 1993 PAAD Amendment.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>OUTPUTS:</p> <ul style="list-style-type: none"> • <u>More efficient management of resources:</u> <ol style="list-style-type: none"> 1. Internal reorganization of MEN. 2. Improved budgeting and tracking of expenditures. 3. Trained management personnel at all levels. • <u>Increased resources for primary education:</u> <ol style="list-style-type: none"> 4. Increased share of national budget for MEN. 5. Increased share for basic education within MEN budget. 6. Promotion of local and private initiatives in education. 7. Implemented new spending norms for critical non-salary inputs. 8. Construction of new classrooms according to new construction norms. • <u>Redress of Structural Deficiencies</u> <ol style="list-style-type: none"> 9. Identification of classroom quality - enhancing inputs for students and related teaching aids. 10. Procurement and distribution to schools of classroom quality enhancing inputs. 11. Development and implementation of a national plan to promote the educational participation of girls and rural children in primary school. 12. Limit grade repetition. 13. Instituted multigrade and double-shift teaching. 	<ol style="list-style-type: none"> 1. Revised & implemented organizational chart which results in decreased redundancy of responsibilities and increased efficiency. 2. Computerized personnel files exist & are being relied upon as a management tool by MEN staff. 3. Remaining staff positions filled. 4. Annual action plans & budget estimates according to national budget categories prepared by MEN, IRE's & DPE's. 5. MEN annual budget, incorporating the above and reflecting MEN capacity to program resources against primary education improvement targets. 6. All DAAF central personnel trained in technical skills, such as computer programming, as well as mgmt skills, such as delegation of responsibility. 7. 10 workshops given in areas suggested in above. 8. 16% of GOG recurrent and investment budget to MEN by 1992. 9. 35% of MEN budget allocated to primary education by 1992. 10. Creation of matching local fund for school construction. 11. Revised certification standards for private schools. 12. \$4/primary student annual expenditure on non-salary inputs. 13. All primary school students provided with textbooks and materials. 14. All primary classrooms equipped with teaching materials. 15. 2100 classrooms constructed by 1993. 16. 27% of rural classrooms operating on multigrade basis by 1992. 17. 30% reduction of repetition. 18. Studies of obstacles to girls' and rural children's enrollment; data collected; MEN staff able to translate findings into policies/programs which address equity constraints. 19. 7,852 teachers trained in French and mathematics. 20. 100% teachers tested. 21. 20% teachers redeployed. 	<ol style="list-style-type: none"> 1. GOG decree & baseline organ. survey with periodic progress reports. 2. GOG Annual Report; spot checks. 3. GOG Annual Report. 4. Copies of action plans and budget. 5. Copy of budget. 6. GOG Annual Report; STA Annual Report; baseline training needs assess. with periodic progress reports. 7. GOG Annual Report; STA Annual Report. 8. GOG Annual Report. 9. GOG Annual Report. 10. GOG Annual Report. 11. GOG official notice. 12. GOG Annual Report. 13. GOG Annual Report; spot checks. 14. GOG Annual Report; spot checks. 15. GOG Annual Report; spot checks. 16. GOG Annual Report; spot checks. 17. Statistical Yearbook. 18. Copy of reports. 19. GOG Annual Report; FAC reports. 20. GOG Annual Report; FAC reports. 21. GOG Annual Report; Statistical Yearbook. 	<ol style="list-style-type: none"> 1. GOG recognizes importance of reform. 2. Equipment in place and functioning. 3. GOG able to reduce expenditures in other sectors. 4. GOG able to reduce expenditures in other areas. 5. Local efforts and commitment to education. 6. \$4 dollars is reasonable amount. 7. Financing available. 9. Multigrade teaching feasible with Guinean context. 10. Continued FAC support to sector. 11. Teachers accept redeployment

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* Outputs 9, 10, and 11 were added during the August 1993 PAAD Amendment.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<ul style="list-style-type: none"> • <u>Improve human resources within the MEN</u> <p>14. Provision of in-service teacher training.</p> <p>15. Testing and redeployment of teachers and administrators to primary classrooms.</p>			
<p>INPUTS:</p> <ul style="list-style-type: none"> • <u>Technical Support Package</u> <p>1. Place Senior Technical Advisor in Secretariat.</p> <p>2. Provide technical assistance, identified by the GOG.</p> <p>3. Provide equipment for DAAF/MEPU-PF.</p> <p>4. Conduct workshops and seminars in educational administration and financial management.</p> <p>5. Provide overseas training to key MEN personnel.</p> <ul style="list-style-type: none"> • <u>Non-project Assistance</u> <p>1. Disburse NPA funds.</p>	<p>1. TSP budget</p> <p>2. CY 90 \$10.1 million Tranche 1</p> <p>3. CY 91 \$7.1 million Tranche 2</p> <p>4. CY 92 \$5.1 million Tranche 3</p>	<p>1. Technical Assistance contracts.</p> <p>2. STA Annual Reports.</p> <p>- -</p> <p>- -</p>	<p>1. Appropriate T.A. is available.</p> <p>2. Technical assistance of Secretariat is accepted.</p> <p>3. GOG has the capacity to identify training and management needs.</p> <p>4. GOG makes MEN staff available for training activities.</p> <p>5. GOG meets conditions precedent to disbursement.</p> <p>6. GOG debt payment with AID money frees funds for education budget.</p>

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ANNEX 4

FINANCING SCHEDULE

	1990	1991	1992	1993 *	1994 *	1995 *	1996 *
(in '000 of GNF)							
GDP	1,980,000,000	2,397,000,000	2,919,000,000	3,554,677,096	4,328,787,002	5,271,476,537	6,419,457,660
Total GOG Recurrent Budget /**	160,181,463	178,224,000	236,237,500	287,683,464	350,332,929	426,625,707	519,532,932
Recurrent Ed Sector Budget	22,765,067	45,831,274	59,442,000	71,920,866	87,583,232	106,656,427	129,883,233
Recurrent Budget for Primary Ed	na	21,720,560	21,460,601	25,172,303	30,654,131	37,329,749	45,459,132
Recurrent Non-Sal Expenditure	3,187,109	15,707,259	18,263,500	20,857,051	15,764,982	19,198,157	23,378,982
(in '000 USD)							
Exchange Rate	660.2	753.9	902.0	943.8	943.8	943.8	943.8
GDP	2,999,091	3,179,467	3,236,142	3,766,346	4,586,551	5,585,375	6,801,714
Total GOG Recurrent Budget /I	242,626	236,403	261,904	304,814	371,194	452,030	550,469
Recurrent Ed Sector Budget	34,482	60,792	65,900	76,204	92,799	113,007	137,617
Recurrent Budget for Primary Ed	na	28,811	23,792	26,671	32,479	39,553	48,166
Recurrent Non-Sal Expenditure	4,827	20,835	20,248	22,099	16,704	20,341	24,771
(in USD)							
Recurrent Ed Sector Budget	34,482,077	60,792,246	65,900,222	76,203,503	92,798,508	113,007,445	137,617,327
USAID Tranches (S)	--	5,300,000	8,800,000	8,200,000	6,838,635	--	--
USAID/GOG Ed Sector Budget	0.0%	8.7%	13.4%	10.8%	7.4%		

Sources: IMF, GUINEA: Recent Economic Developments, June 1993.

MEPI/FP, MESRS, RAPPORT FINANCIER D'EXECUTION BUDGETAIRE DE LA DEUXIEME ANNEE DU PASE

IDA, USAID, FAC, AIDE-MEMOIRE CONJOINT: PASE, MAI 1993

Notes:

* Values for 1993 - 1996 are projections

** Excluding debt

Assume constant 1992 rate of nominal GDP growth

Assume overall GOG recurrent budget grows at same nominal rate as GDP

Assume education recurrent budget maintained at 25% of overall recurrent budget

Assume primary education budget maintained at 35% of education sector recurrent budget

Assume 1993 non-salary expenditure at 30% of education budget, and subsequent years stabilize at 18%

Assume constant exchange rate at 1993 level

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